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15 SUPERIOR COURT OF THE STATE OF CALIFORNIA

16 FOR THE COUNTY OF LOS ANGELES / CENTRAL DISTRICT

17 JEFF SMOROWSKI, on behalf of himself and
all others similarly situated,

18 Plaintiff,

19 v.

20 ARC HOME LLC, a New Jersey Corporation;
21 and DOES 1–50, inclusive,

22 Defendants.
23
24
25
26
27
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Case No. 23STCV22716

Assigned for All Purposes to:
The Hon. Stuart M. Rice
Dept. 1

Complaint Filed: September 20, 2023
Trial Date: None Set

**AMENDED SETTLEMENT
AGREEMENT**

1 This Settlement Agreement (the “Settlement”) is made by and between Plaintiff Jeff
2 Smorowski (“Plaintiff”), on behalf of himself and each of the Class Members as defined herein, and
3 Defendant Arc Home LLC (“Arc”), and is intended to resolve and settle the pending action entitled
4 Jeff Smorowski v. Arc Home LLC, Case No. 23STCV22716 (Los Angeles County Superior Court).

5 **1. DEFINITIONS**

6 1.1 The term “Action” is defined collectively to include the Class Action Complaint
7 filed in the action entitled Jeff Smorowski v. Arc Home LLC, Case No. 23STCV22716 (Los
8 Angeles County Superior Court) (the “Complaint”) and any operative complaint and amended
9 complaints filed in the Class Action by Plaintiff.

10 1.2 The term “Agreement” or “Settlement Agreement” refers to this Settlement
11 Agreement.

12 1.3 The terms “Class” or “Class Members” means all current and former exempt and
13 non-exempt employees who worked for Defendant in California during any portion of the Class
14 Period.

15 1.4 The term “Class Counsel” means Righetti Glugoski, PC.

16 1.5 The term “Class List and Data” means the name, last known mailing address, Social
17 Security number, number of Workweeks for each Class Member during the Class Period, and
18 number of PAGA Pay Periods for each PAGA Member during the PAGA Period.

19 1.6 The term “Class Period” means the time from September 20, 2019 through the date
20 on which the Court issues the Preliminary Approval Order.

21 1.7 The term “Court” as used herein means the Superior Court of California, County of
22 Los Angeles.

23 1.8 The term “Defendant” or “Arc” means Defendant Arc Home LLC.

24 1.9 The “Effective Date” of the Settlement will be the last to occur of the following: (a)
25 the 61st day after service of notice of entry of the Final Approval Order and Judgment; or (b) if
26 an appeal, review, or writ is sought from the Final Approval Order and Judgment, the day after
27 the Final Approval Order and Judgment is affirmed or the appeal, review, or writ is dismissed or
28 denied, and the Final Approval Order and Judgment is no longer subject to further judicial

1 review. Prior to the Effective Date, Defendant will not be required to fund the Settlement, in
2 whole or in part, through the Settlement Administrator or any third party.

3 1.10 The term “Final Approval Order” means the order of the Court that grants final
4 approval of the Settlement.

5 1.11 The term “Final Judgment” means the final judgment entered by the Court based
6 upon the Settlement.

7 1.12 The term “Individual PAGA Payment” means the PAGA Member’s pro-rata share of
8 the portion of the PAGA Payment allocated to PAGA Members pursuant to Section 10.2 below.

9 1.13 The term “Individual Settlement Payment” means the amount to be paid to a
10 Participating Class Member from the Net Settlement Amount pursuant to Section 10.4 below.

11 1.14 The term “LWDA Notice” means Plaintiff’s letters submitted to the Labor and
12 Workforce Development Agency dated May 14, 2024 and July 15, 2024, and any subsequent letter
13 submitted to the Labor and Workforce Development Agency on behalf of Plaintiff.

14 1.15 The term “Mediator” means Anthony F. Pantoni.

15 1.16 The term “Net Settlement Amount” means the Settlement Amount minus the Court-
16 approved Attorneys’ Fees, Litigation Costs and Expenses, Service Award to Plaintiff, Plaintiff’s
17 Individual Settlement Payment, Settlement Administration Costs, and PAGA Payment.

18 1.17 The term “PAGA Member(s)” means all current and former exempt and non-exempt
19 employees who worked for Defendant in California during any portion of the PAGA Period.

20 1.18 The term “PAGA Payment” means the payment made to the LWDA and PAGA
21 Members for civil penalties pursuant to PAGA and the terms of this Agreement.

22 1.19 The term “PAGA Period” means the time from September 20, 2022 through the date
23 on which the Court issues the Preliminary Approval Order.

24 1.20 The term “PAGA Pay Period(s)” refers to the number of pay periods during the
25 PAGA Period in which a PAGA Member worked for Defendant.

26 1.21 The term “Participating Class Members” mean Class Members who have not timely
27 requested exclusion from the Settlement.

28 1.22 The term “Parties” means Plaintiff and Defendant, collectively.

1 1.23 The term “Party” means Plaintiff or Defendant, individually.

2 1.24 The term “Plaintiff” means Plaintiff Jeff Smorowski.

3 1.25 The term “Preliminary Approval Order” means the order of the Court that grants
4 preliminary approval of the Settlement.

5 1.26 The term “Settlement Administrator” means ILYM, Inc. (“ILYM”), the third-party
6 settlement administrator agreed upon by Parties to administer this Settlement.

7 1.27 The term “Settlement Amount” means the amount of Nine Hundred Twenty-Five
8 Thousand Dollars and Zero Cents (\$925,000.00), inclusive of the Attorneys’ Fees and Litigation
9 Costs and Expenses incurred by Class Counsel, the Settlement Administration Costs, the Service
10 Award to Plaintiff, and the PAGA Payment, but excluding employer portion of any applicable
11 payroll taxes.

12 1.28 The term “Workweek(s)” refers to the week(s) during the Class Period in which a
13 Class Member worked for Defendant. The parties estimate that, during the Class Period, and as of
14 November 30, 2023, the approximate total number of workweeks for the Class was 5,010
15 workweeks.

16 **2. SCOPE, PURPOSE, AND BENEFITS OF THE SETTLEMENT**

17 2.1 On September 20, 2023, Plaintiff initiated the Action by filing a Class Action
18 Complaint in this Court against Defendant asserting the following claims: (1) failure to reimburse
19 business expenses; (2) failure to provide accurate wage statements; (3) failure to provide minimum
20 and overtime wages; (4) failure to pay all wages upon separation of employment; and (5) unfair
21 business practices in violation of California Business & Professions Code Sections 17200, *et seq.*

22 2.2 On February 16, 2024, the Parties participated in private mediation conducted by the
23 Mediator, an experienced and respected former judge. The settlement discussions were conducted
24 at arm’s length. The Parties reached an impasse at mediation, but the Mediator successfully
25 assisted the Parties to agree on a resolution of the Action through post-mediation discussions and
26 negotiations. The Settlement is the result of an informed and detailed analysis of the risks facing all
27 Parties in litigating this case, including but not limited to, careful consideration of the legal and
28 factual obstacles to Plaintiff’s prospects of obtaining class certification and on the merits, and

1 Defendant's defenses, as well as Defendant's potential exposure and the additional costs of
2 litigating the Action.

3 2.3 This Agreement is intended to and does effectuate the full, final, and complete
4 resolution of the Action.

5 2.4 The Parties believe that continued litigation would be protracted, expensive, and
6 uncertain, and that this Settlement is in the best interests of the Class, PAGA Members, and
7 Defendant. In light of these realities, the Parties believe that this Settlement is the best way to
8 resolve the disputes between them.

9 **3. JURISDICTION, ENFORCEMENT, AND INTERPRETATION**

10 The Court has jurisdiction over the Parties and the subject matter of the Action. The Action
11 includes claims that, while Defendant denies them in their entirety, would, if proven, authorize the
12 Court to grant relief pursuant to the California laws cited therein. If the Settlement is approved, the
13 Court will retain jurisdiction with respect to the interpretation, implementation, and enforcement of
14 the terms of this Agreement and all orders and judgments entered in connection therewith, pursuant
15 to California Rules of Court Rule 3.769, et seq. and California Code of Civil Procedure Section
16 664.6, and the Parties hereto submit to the jurisdiction of the Court for purposes of interpreting,
17 implementing, and enforcing the Settlement embodied in this Agreement and all orders and
18 judgments entered in connection therewith. The Parties and their counsel agree that a court, upon
19 motion, may enter judgment pursuant to the Agreement and California Code of Civil Procedure
20 Section 664.6 and the Agreement is admissible in evidence for purposes of enforcement pursuant to
21 California Evidence Code Section 1123. The Agreement will be interpreted and enforced under the
22 laws of the State of California without regard to its conflict of laws provisions. Any dispute arising
23 out of or relating to the Agreement, or the subject matter hereof, will be resolved solely and
24 exclusively in the Court, and the Parties hereby consent to the jurisdiction of the Court over them
25 solely in connection therewith.

26 **4. NO ADMISSION WITH RESPECT TO LIABILITY**

27 4.1 The Parties agree that this Agreement reflects their good faith compromise of the
28 Action, based upon their assessment of the mutual risks and costs of further litigation and the

1 assessments of their respective counsel. This Agreement does not constitute, is not intended to
2 constitute, and will not be deemed to constitute, an admission of liability or lack of liability by the
3 Parties as to the merits, validity, or accuracy of any of the allegations or claims made against
4 Defendant in the Action or the appropriateness of class certification. Defendant denies each of
5 Plaintiff's allegations in their entirety, and alleges that Plaintiff and all other Class Members were
6 provided compensation and treated in all respects in accordance with California law with regard to
7 the claims and facts alleged in the Action.

8 4.2 Nothing in this Agreement, nor any action taken or made in implementation thereof,
9 including, without limitation, any statements, discussions, communications, or any materials
10 prepared, exchanged, issued, or used during the course of the negotiations leading up to the
11 Agreement, is intended by the Parties to or will constitute, be introduced, or be submitted in any
12 way in the Action or any other judicial, arbitral, administrative, investigative or other forum or
13 proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance,
14 regulation, rule, or executive order, or any obligation or duty at law or in equity. Notwithstanding
15 the foregoing, the Agreement may be used in any proceeding in the Court that has as its purpose the
16 interpretation, implementation, or enforcement of the Agreement or any orders or judgments of the
17 Court entered into in connection therewith. Additionally, insofar as any of the foregoing material is
18 required to be filed by any Court by Court order, the Parties will comply with such order but will
19 notify the other Party of such an order at least ten (10) days prior to filing of the documents.

20 4.3 The Parties agree that Plaintiff's forthcoming motion for preliminary approval of the
21 Settlement, which will, among other things, seek certification of the Class, is for purposes of the
22 Settlement only. If, for any reason, the Settlement is not approved, the stipulation to certification
23 will have no force or effect. The Parties agree that certification for purposes of the Settlement is in
24 no way an admission that class certification is proper under the standard applied to contested
25 certification motions and that this Agreement will not be submitted in this or any other proceeding
26 as evidence that (i) the Class should be certified, or (ii) Defendant is liable to Plaintiff or any of the
27 Class Members. Further, neither this Agreement nor the Court's actions with regard to this
28 Agreement will be submitted in any court or other tribunal regarding the propriety of class

1 certification or collective treatment for purposes other than the settlement of the Action. In the
2 event that this Agreement is not approved by the Court or any appellate court, is terminated, or
3 otherwise fails to be enforceable, Defendant will not be deemed to have waived, limited, or affected
4 in any way, any of its objections or defenses in the Action, including, but not limited to, its defenses
5 in opposition to class certification.

6 **5. CLASS CERTIFICATION**

7 For the purposes of this Agreement only, the Parties agree to the certification of the Class.
8 As set forth above, Defendant expressly reserves its right to oppose class certification should the
9 Court decide to not approve this Settlement.

10 **6. RELEASE AND WAIVER**

11 6.1 Release and Waiver of Claims by Participating Class Members

12 As of the date Defendant fully funds the Settlement, Participating Class Members, on behalf
13 of themselves and their respective past, present, and future spouses, representatives, agents,
14 attorneys, heirs, administrators, successors, and assigns, shall fully and finally release and discharge
15 Defendant and each of its past, present, and future agents, employees, servants, officers, directors,
16 partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries,
17 equity sponsors, related companies/corporations and/or partnerships, divisions, assigns,
18 predecessors, successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-
19 egos, and affiliated organizations, and all of their respective past, present, and future employees,
20 directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns,
21 and each of them (collectively, the “Released Parties”), from the Released Claims. For purposes of
22 this Agreement, the “Released Claims” are defined as all claims, debts, liabilities, demands, actions,
23 or causes of action pleaded or asserted in the Action or that reasonably could have been pleaded or
24 asserted based upon the facts alleged in the Action, including but not limited to state and/or federal
25 wage and hour claims, failure to pay all wages due, including minimum wages, straight time
26 compensation, overtime compensation, double-time compensation, reporting time compensation,
27 and interest; the calculation of the regular rate of pay; wages related to alleged illegal rounding;
28 misclassification; failure to provide meal periods and/or rest periods; failure to pay proper meal

1 and/or rest period penalties at the proper rate of pay; payment for all hours worked, including off-
2 the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business
3 expenses; failure to timely pay all wages during employment; failure to timely pay all wages due at
4 separation of employment; failure to provide one day's rest in a seven-day workweek; unauthorized
5 or improper deductions; failure to maintain accurate records, including payroll records; unfair
6 business practices; declaratory relief; penalties, including but not limited to recordkeeping
7 penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; interest;
8 and attorneys' fees and costs. The Released Claims also expressly include all claims arising under
9 the California Labor Code (including but not limited to Sections 200-204, 210, 218, 226, 226.3,
10 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 2800, 2802); the
11 Wage Orders of the California Industrial Welfare Commission; California Business and Professions
12 Code Section 17200, *et seq.*; the California Civil Code, including but not limited to Sections 3287,
13 3336, and 3294; 8 CCR Sections 11040; California Code of Civil Procedure, including but not
14 limited to Section 1021.5; and the FLSA, 29 U.S.C. Section 201, *et seq.* This release excludes the
15 release of claims not permitted by law. The time frame of the Released Claims shall be the Class
16 Period.

17 6.2 Release and Waiver of Claims By PAGA Members

18 As of the date Defendant fully funds the Settlement, Plaintiff, the LWDA, and each and all
19 PAGA Members, on behalf of themselves and their respective past, present, and future spouses,
20 representatives, agents, attorneys, heirs, administrators, successors, and assigns, will be deemed to
21 have fully and finally released and discharged the Released Parties, and each of them, of all
22 Released Claims arising during the PAGA Period that reasonably could have been pleaded or
23 asserted based upon the facts alleged in the Action and/or LWDA Notice.

24 6.3 General Release and Waiver of Claims by Plaintiff

25 As of the Effective Date, and in exchange for the Service Award, Plaintiff, on behalf of
26 himself and his respective past, present, and future spouses, representatives, agents, attorneys, heirs,
27 administrators, successors, and assigns, fully and finally release the Released Parties, and each of
28 them, from any and all claims, whether asserted or unasserted, known and unknown, under federal,

1 state and/or local law, statute, ordinance, regulation, common law, or other source of law, including
2 but not limited to claims arising from or in any way related to his employment with Defendant and
3 his compensation while an employee of Defendant (“Plaintiff’s Released Claims”). Plaintiff’s
4 Released Claims include, but are not limited to, all claims arising from or related to the Action; all
5 claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time
6 compensation, overtime compensation, double-time compensation, reporting time compensation,
7 and interest; the calculation of the regular rate of pay; wages related to alleged illegal rounding;
8 misclassification; failure to provide meal periods and/or rest periods; failure to pay proper meal
9 and/or rest period penalties; failure to reimburse business expenses; payment for all hours worked,
10 including off-the-clock work; failure to provide accurate wage statements; unauthorized or
11 improper deductions; failure to keep accurate records; failure to timely pay all wages during
12 employment; failure to timely pay all wages due at separation of employment; failure to provide
13 one day’s rest in a seven-day workweek; failure to maintain accurate records, including payroll
14 records; failure to provide paid sick leave; unfair business practices; penalties, including, but not
15 limited to, meal/rest period penalties, recordkeeping penalties, wage statement penalties, minimum-
16 wage penalties, and waiting-time penalties; interest; and attorneys’ fees and costs. Plaintiff’s
17 Released Claims also expressly include all claims arising under the California Labor Code
18 (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206,
19 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.2, 226.3, 226.7, 226.8,
20 227.3, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 558.1, 1174, 1174.5, 1182.12, 1194,
21 1194.2, 1197, 1197.1, 1197.2, 1198, 2802, 2698 et seq., and 2699 et seq.); all claims arising under
22 the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys
23 General Act of 2004 (“PAGA”); California Business and Professions Code section 17200, et seq.,
24 the California Civil Code, including but not limited to Sections 3287, 3336 and 3294; 8 CCR §
25 11040; California Code of Civil Procedure, including but not limited to Section 1021.5; the
26 California common law of contract; the FLSA, 29 U.S.C. § 201, et seq.; federal common law; and
27 the Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq.; all claims for lost wages
28 and benefits, emotional distress, retaliation, punitive damages, other damages, and attorneys’ fees

1 and costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and
2 wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. section 1981, Title
3 VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in
4 Employment Act, and the California Fair Employment and Housing Act; and the law of contract
5 and tort. This release excludes the release of claims not permitted by law.

6 Plaintiff's Released Claims also includes the pending action before the Civil Rights
7 Department of the Department of Fair Employment and Housing, Case No. 202203-16287002,
8 entitled Smorowski/ARC Home LLC for alleged discrimination, wrongful termination, and
9 retaliation.

10 Plaintiff's Released Claims include all claims, whether known or unknown. Even if
11 Plaintiff discovers facts in addition to or different from those that he now knows or believes to be
12 true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain
13 released and forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions, rights
14 and benefits of California Civil Code Section 1542, which reads:

15 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT
16 THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR
17 SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
18 EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR
19 HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
20 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

21 Further, this Agreement constitutes a knowing and voluntary waiver of any and all rights or
22 claims that Plaintiff or may have under the Federal Age Discrimination In Employment Act, as
23 amended by the Older Workers' Benefit Protection Act of 1990, 29 U.S.C. §§ 621 et seq. This
24 paragraph and this Agreement are written in a manner calculated to be understood by Plaintiff.
25 Plaintiff is hereby advised in writing to consult with an attorney before signing this Agreement.
26 Plaintiff has had a reasonable time of up to 21 days in which to consider signing this Agreement. If
27 Plaintiff decides not to use all 21 days, Plaintiff knowingly and voluntarily waives any claims that
28 Plaintiff was not given the 21-day period or did not use the entire 21 days to consider this

1 Agreement. Plaintiff may revoke this Agreement at any time within the 7-day period following the
2 date Plaintiff signs this Agreement by providing written notice of revocation to Defendant's counsel
3 of record. The Agreement shall not become effective or enforceable until after this 7-day
4 revocation period has expired. If Plaintiff revokes the Agreement, Plaintiff will not receive the
5 consideration set forth in the Agreement.

6 **7. NOTICE AND OPPORTUNITY TO OPT OUT OR OBJECT**

7 7.1 Notice to the Class

8 The Parties submit a Notice of Class Action Settlement ("Class Notice"), in the form
9 attached hereto as "Exhibit 1," to the Court for approval. The Class Notice will include,
10 nonexclusively, information regarding the nature of the Action; a summary of the substance of the
11 Settlement; the definition of the Class; the formula used to determine the Individual Settlement
12 Payments for the Class Members and Individual PAGA Payments for PAGA Members; the number
13 of Workweeks and PAGA Pay Periods credited to each Class Member and PAGA Member,
14 respectively; the estimated Individual Settlement Payment and/or Individual PAGA Payment; the
15 procedures and deadlines for objecting to the Settlement, seeking exclusion from the Settlement
16 (except PAGA Members shall have no right to exclude themselves from the PAGA portion of the
17 Settlement), and/or disputing the number of Workweeks or PAGA Pay Periods credited to them;
18 and the date for the Final Approval Hearing.

19 7.2 Mailing of the Class Notice

20 Within thirty (30) calendar days following notice by Plaintiff or the Court of the Preliminary
21 Approval Order, Defendant shall provide the Settlement Administrator with the Class List and Data
22 in readable Microsoft Excel spreadsheets. In no event will Class List and Data ever be shared with
23 or provided to Class Counsel.

24 Within fifteen (15)) calendar days after the Settlement Administrator's receipt of the Class
25 List and Data, the Settlement Administrator shall mail the Class Notice to the Class Members via
26 first-class regular U.S. mail. Class Members will have forty-five (45) calendar days from the
27 mailing of the Class Notice ("Response Deadline") to submit a Request for Exclusion (as defined
28 below), dispute, or objection. The date of initial mailing of the Class Notice by the Settlement

1 Administrator to the Class Members is the “Initial Mailing.” Prior to mailing the Class Notice to
2 Class Members, the Settlement Administrator will perform one search based on the National
3 Change of Address Database information to update and correct the Class List and Data for any
4 known or identifiable address changes.

5 If, within thirty (30) calendar days of the Initial Mailing, a Class Notice is returned with a
6 forwarding address, then within five (5) calendar days of receiving the undeliverable Class Notice,
7 the Settlement Administrator shall forward the original Class Notice to the updated address via
8 first-class regular U.S. mail indicating on the Class Notice the date of such re-mailing. If a Class
9 Notice is returned within thirty (30) calendar days of the Initial Mailing as undeliverable without a
10 forwarding address, then within five (5) calendar days of receiving the undeliverable Class Notice,
11 the Settlement Administrator will promptly attempt to determine the correct address using a skip-
12 trace search, and will perform a single re-mailing to any addresses located indicating the date of the
13 re-mailing on the Class Notice. Those Class Members who receive a re-mailed Class Notice (as a
14 result of the Settlement Administrator locating an updated address by way of skip-trace search,
15 forwarding address provided by the post office, or request from the Parties or Class Members), will
16 have the later of (a) fifteen (15) calendar days from the date the Class Notice is re-mailed or (b) the
17 Response Deadline to postmark a Request for Exclusion, objection, or dispute regarding
18 Workweeks or PAGA Pay Periods to the Settlement Administrator (“Extended Response
19 Deadline”).

20 In the event that the procedures in this Section are followed and the intended recipient of a
21 Class Notice still does not receive the Class Notice, the intended recipient shall be bound by all
22 terms of the Settlement and any Final Approval Order and Final Judgment entered by the Court if
23 the Settlement is approved by the Court. In the event the procedures in this Section are followed
24 and a Class Member does not ultimately return a Request for Exclusion and/or the Request for
25 Exclusion is rejected by the Settlement Administrator, the Class Member shall be deemed a
26 Participating Class Member and will be bound by all terms of the Settlement and any Final
27 Approval Order and Final Judgment entered by the Court if the Settlement is approved by the
28 Court.

1 7.3 Objection to the Settlement

2 A Participating Class Member may object to the Settlement. To assert an objection to the
3 Settlement, a Participating Class Member must submit an objection to the Settlement Administrator
4 by first class U.S. mail at the address specified on the Class Notice, not later than the Response
5 Deadline, or in the instance of a re-mailed Class Notice, the Extended Response Deadline. The date
6 of the postmark will be the exclusive means for determining whether an objection has been timely
7 submitted. All objections must be in writing, which includes: (1) the objector's full name, address,
8 last four digits of his or her Social Security number, and signature; (2) the case name and number;
9 (3) the factual and legal basis, with supporting documents, if any, on which the objection is based;
10 (4) whether the objector is represented by an attorney and providing the contact information of any
11 such attorney; and (5) whether the objector plans to appear at the Final Approval Hearing. The
12 Parties agree that the Settlement Administrator shall not disclose the last four digits of any Class
13 Member's Social Security number to anyone but the Parties, that such information will be securely
14 held, and that the disclosure of those last four digits to the Parties shall not be used for any purpose
15 except to ascertain the identity of the objector for administration of this Settlement. Any person
16 who fails to timely submit their written objections in the manner specified above may still appear
17 and object at the Final Approval Hearing. Participating Class Members who fail to object in the
18 manners specified above shall be deemed to have waived any objections and shall be foreclosed
19 from making any objection (whether by appeal or otherwise) to the Settlement. If a Participating
20 Class Member objects to this Settlement, the Participating Class Member will remain a member of
21 the Class, and if the Court grants final approval of the Settlement, he or she will be bound by the
22 terms of the Settlement and any Final Approval Order and Final Judgment. Within three (3)
23 business days of receipt of an objection, the Settlement Administrator shall provide counsel for the
24 Parties with a copy of the objection. No later than thirty (30) calendar days before the Final
25 Approval Hearing, the Settlement Administrator shall provide counsel for the Parties with a
26 complete list of Participating Class Members who have submitted an objection. Prior to the Final
27 Approval Hearing, the Settlement Administrator shall submit copies of the objections that it has
28 received, to the Court by way of declaration.

1 7.4 Request for Exclusion from the Settlement

2 Class Members who wish to exclude themselves from the Settlement must submit a valid
3 and timely request for exclusion (“Request for Exclusion”) to the Settlement Administrator by mail,
4 postmarked on or before the Response Deadline or, in the instance of a re-mailed Class Notice, the
5 Extended Response Deadline. The date of the postmark on the return mailing envelope will be the
6 exclusive means for determining whether a Request for Exclusion has been timely submitted. A
7 Request for Exclusion must be in writing which contains: (1) the Class Member’s full name, current
8 address, last four digits of his/her Social Security number; (2) the case name and number; (3) a clear
9 statement that the Class Member wishes to be excluded from the Settlement; and (4) the Class
10 Member’s signature and the date of signature. The Parties agree that the Settlement Administrator
11 shall not disclose the last four digits of any Class Member’s Social Security number to anyone but
12 the Parties, that such information will be securely held, and that the disclosure of those last four
13 digits to the Parties shall not be used for any purpose except to ascertain the identity of the
14 individual who wishes to exclude himself or herself from the Settlement for administration of this
15 Settlement. The name and last four digits of the Social Security number provided by the Class
16 Member on the Request for Exclusion must match Defendant’s records as provided to the
17 Settlement Administrator, or match Defendant’s records for that particular Class Member. The
18 name and Social Security number provided by the Class Member will be deemed to match
19 Defendant’s records only if: (1) both the first name and the last name and the last four digits of the
20 Social Security number provided by the Class Member match Defendant’s records; (2) the first
21 name and the last four digits of the Social Security number provided by the Class Member match
22 Defendant’s records and it appears the last name has been changed as a result of a change in marital
23 status or is a shortened or lengthened version of the name that appears in Defendant’s records; or
24 (3) the last four digits of the Social Security number and last name match Defendant’s records and
25 the first name provided is either a nickname or a shortened or lengthened version of the name that
26 appears in Defendant’s records. Each Class Member who does not submit a Request for Exclusion
27 in compliance with this paragraph will be deemed to be a Participating Class Member. Participating
28 Class Members will be bound by all terms of the Settlement Agreement and the Final Approval

1 Order and Final Judgment. Any Class Member who submits a timely, valid Request for Exclusion
2 will not be a Participating Class Member, will not be entitled to receive any Individual Settlement
3 Payment, and will not be bound by this Agreement or have any right to object, appeal, or comment
4 thereon.

5 Notwithstanding the foregoing, the Parties agree there is no statutory or other right for any
6 Class Member to opt out or otherwise exclude himself or herself from the PAGA portion of the
7 Settlement. A Class Member who submits a valid and timely Request for Exclusion and who is
8 also a PAGA Member shall still receive his or her proportionate share of the PAGA Payment and
9 shall be bound by the release of the PAGA claims during the PAGA Period.

10 No later than thirty (30) calendar days before the Final Approval Hearing, the Settlement
11 Administrator shall provide counsel for the Parties with a complete list of all Class Members who
12 have submitted a valid and timely Request for Exclusion.

13 If a Class Member submits both a Request for Exclusion and written objection to the
14 Settlement Administrator prior to the Response Deadline, the Settlement Administrator will first
15 attempt to contact the Class Member(s) to determine if they intended to submit only the Request for
16 Exclusion or written objection. If the Settlement Administrator is unable to contact the Class
17 Member(s) within ten (10) calendar days of receiving both the Request for Exclusion and written
18 objection or if the Class Member(s) fails to respond to the Settlement Administrator within ten (10)
19 calendar days of being contacted, then only the Request for Exclusion will be deemed valid. The
20 Class Member(s)' written objection will be invalid, and the Class Member will no longer be
21 considered a Participating Class Member, will not receive his or her Individual Settlement Payment,
22 and will not be bound by the Released Claims (but will still have fully and finally released and
23 discharged the Released Parties of all Released Claims arising during the PAGA Period that may be
24 asserted under PAGA).

25 7.5 No Solicitation of Objections to or Exclusions from the Settlement

26 The Parties agree to use their best efforts to carry out the terms of this Agreement. At no
27 time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members
28 to submit Requests for Exclusion, objections to the Settlement, or appeal from or seek review of the

1 Court's Preliminary Approval Order, Final Approval Order, or Final Judgment, provided, however,
2 that Class Counsel may respond to any questions received from Class Members regarding the
3 Settlement and the Settlement Agreement.

4 **8. DEFENDANT'S RIGHT TO RESCIND**

5 If either (i) 5% or more of the Class Members, or (ii) a number of Class Members whose
6 Individual Settlement Payments in the aggregate are 5% or more of the Settlement Amount, either
7 opt out of and/or object to the Settlement, or if both (i) and (ii) occur, Defendant may, at its
8 election, rescind the Settlement and all actions taken in its furtherance of it will be thereby null
9 and void. If Defendant exercises this right of recession, it must do so in writing, that is sent to
10 Class Counsel. If the option to rescind is exercised, then Defendant shall be solely responsible for
11 all Settlement Administration Costs accrued to that point. If such provision is exercised, the
12 Action will return to its pre-settlement litigation posture.

13 **9. DISPUTES REGARDING WORKWEEKS/PAY PERIODS**

14 The Class Notice mailed to each Class Member will indicate the Workweeks and PAGA
15 Pay Periods credited to each Class Member and the estimated Individual Settlement Payment and/or
16 Individual PAGA Payment that he/she is to receive based upon Defendant's records and the
17 formula set forth in Sections 10.2 and 10.4 below. If a Class Member objects to the Workweeks
18 and/or PAGA Pay Periods credited to him or her, as stated in the Class Notice, the Class Member
19 must submit written correspondence to the Settlement Administrator that is postmarked no later
20 than the Response Deadline, or in the instance of a re-mailed Class Notice, the Extended Response
21 Deadline, explaining the basis for the dispute and including any supporting documentation showing
22 that the Workweeks and/or PAGA Pay Periods credited to him or her is inaccurate. Defendant's
23 records will be presumed determinative, absent credible evidence to rebut the accuracy of the
24 Workweeks and/or PAGA Pay Periods credited to a Class Member based thereon. The Settlement
25 Administrator will evaluate the evidence submitted by the Class Member and make a
26 recommendation to the Parties as to which figures should be applied. If the Parties disagree with
27 the Settlement Administrator's recommendation, the dispute will be presented to the Court for
28 determination.

1 **10. COMPUTATION AND DISTRIBUTION OF PAYMENTS**

2 10.1 Settlement Amount

3 The Settlement Amount has been agreed to by the Parties, based on analysis and assessment
4 of the value of the claims of the Class. It is expressly understood that if the Court awards less than
5 the total amounts requested to be awarded for Attorneys' Fees, Litigation Costs and Expenses,
6 PAGA Payment, Settlement Administration Costs, and Service Award to Plaintiff, or as otherwise
7 provided herein, the difference in any such amounts will be added to the Net Settlement Amount.

8 10.2 Distribution to the Participating Class Members

9 Individual Settlement Payments will be determined as follows: Defendant will provide the
10 Settlement Administrator with the number of Workweeks credited to each Participating Class
11 Member during the Class Period, as indicated in the Class List and Data. The Settlement
12 Administrator will then calculate the total number of Workweeks worked by all Participating Class
13 Members during the Class Period ("Total Workweeks"). To determine the Individual Settlement
14 Payment for each Participating Class Member, the Settlement Administrator will (1) divide each
15 Participating Class Member's respective Workweeks by the Total Workweeks, and (2) multiply the
16 resulting figure by the Net Settlement Amount. The Individual Settlement Payment will be reduced
17 by any required legal deductions for each Participating Class Member, provided that such legal
18 deductions will not include the employer's share of any payroll taxes, as set forth in Section 1.26
19 above. Any residual amounts of the Settlement Amount that are not distributed in full as
20 contemplated by this Agreement shall be distributed pro rata to Participating Class Members.

21 Participating Class Members will have one hundred and eighty (180) calendar days from the
22 date on which the Individual Settlement Payment check is issued, to cash or deposit the Individual
23 Settlement Payment check. If an Individual Settlement Payment check is not cashed within one
24 hundred and eighty (180) calendar days from the date of issuance, if said check represents a sum
25 that is five (5) or more times greater than the cost of sending an additional check to Participating
26 Class Members, then the uncashed Individual Settlement Payment checks will be redistributed to
27 Participating Class Members on a pro-rata basis. If the uncashed Individual Settlement Payment
28 checks represent a sum that is less than five (5) times greater than the cost of sending an additional

1 check to Participating Class Members, the Individual Settlement Payment checks will be cancelled
2 and funds associated with said cancelled check will be transmitted to the State Controller's
3 Unclaimed Property Fund in the name of the Participating Class Members, as an alternative
4 distribution for which there is good cause, under California Code of Civil Procedure Section 384(b).

5 10.3 Service Award to Plaintiff

6 Plaintiff will apply to the Court for a service award of no more than \$5,000.00 for Plaintiff
7 (the "Service Award"), to be paid out of the Settlement Amount. Defendant will not oppose such
8 an application, so long as it is consistent with the provisions of this Agreement. Any amount
9 awarded for the Service Award to Plaintiff that is less than the amount listed above will result in the
10 non-awarded funds being part of the Net Settlement Amount available for distribution to the
11 Participating Class Members. Plaintiff shall be solely and legally responsible to pay any and all
12 applicable taxes on the Service Award and shall hold harmless the Released Parties from any claim
13 or liability for taxes, penalties or interest arising as a result of the payment. Plaintiff is solely
14 responsible for providing a completed IRS W-9 form to the Settlement Administrator prior to
15 distribution. The Settlement Administrator will issue to Plaintiff an IRS Form 1099 reflecting the
16 Service Award.

17 10.4 PAGA Payment

18 The Parties agree to allocate the amount of \$55,000.00 from the Settlement Amount
19 pursuant to PAGA as the PAGA Payment. Seventy-five percent (75%) of this amount, or
20 \$41,250.00, will be paid to the LWDA and twenty-five percent (25%) of this amount, or
21 \$13,750.00, will be distributed to PAGA Members. The portion of the PAGA Payment
22 (\$13,750.00) distributed to PAGA Members shall be calculated and distributed on a pro rata basis
23 based on PAGA Members' respective number of PAGA Pay Periods during the PAGA Period. The
24 Settlement Administrator will (1) divide each PAGA Member's PAGA Pay Periods by the total
25 number of Pay Periods worked by all PAGA Members during the PAGA Period, and (2) multiple
26 the resulting figure by the portion of the PAGA Payment (\$13,750.00) allocated to PAGA Members
27 in order to yield each PAGA Member's Individual PAGA Payment.

1 Upon the Effective Date and payment by Defendant of the Settlement Amount to the
2 Settlement Administrator, as well as its employer's share of taxes on funds allocated as wages
3 herein, Defendant will be released of any liability for any penalties pursuant to PAGA in
4 connection with the claims and factual allegations alleged in the Action to the extent permitted by
5 law. In the event that the Court finds the Parties' allocation of proceeds from the Settlement
6 Amount to PAGA to be insufficient, the Parties expressly reserve the right to amend this
7 Agreement to increase the allocated amount to a level that satisfies the Court's discretion, but
8 provided that such increase does not increase the Settlement Amount.

9 10.5 Payment to Plaintiff To Resolve Pending DFEH Claim and 1542 Release

10 The Parties agree to allocate \$75,000.00 to resolve the pending action before the Civil
11 Rights Department of the Department of Fair Employment and Housing, Case No. 202203-
12 16287002, entitled Smorowski/ARC Home LLC based on Plaintiff's allegations that he was
13 discriminated against, wrongfully terminated, and retaliated against by Defendant due to his
14 medical condition ("Plaintiff's Individual Settlement Payment"). This payment also covers any
15 claims Plaintiff may have that are unknown at this time. Even if Plaintiff discovers facts in addition
16 to or different from those that he now knows or believes to be true, those claims will remain
17 released and forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions, rights
18 and benefits of California Civil Code Section 1542. Plaintiff agrees to request a stay of his pending
19 DFEH action within 15 days of execution of this Agreement.

20 10.6 Attorneys' Fees and Litigation Costs and Expenses

21 Class Counsel shall be entitled to apply to the Court for attorneys' fees payable to Class
22 Counsel in the amount of up to 33.33% of the Settlement Amount, which is \$308,302.50
23 ("Attorneys' Fees"), and litigation costs and expenses in an amount not to exceed \$6,500.00
24 ("Litigation Costs and Expenses"). The amounts set forth above for Attorneys' Fees and Litigation
25 Costs and Expenses will cover all work performed and all fees and costs incurred by Class Counsel
26 to date, and all work to be performed and all fees to be incurred in connection with the litigation of
27 the Action, seeking preliminary and final approval by the Court of this Settlement and Agreement,
28 the administration of the Settlement, seeking and obtaining a Preliminary Approval Order and Final

1 Approval Order, and obtaining Final Judgment. Class Counsel is solely responsible for providing
2 completed IRS W-9 forms to the Settlement Administrator prior to distribution. The Settlement
3 Administrator shall issue an IRS Form 1099 to Class Counsel reflecting the awarded Attorneys'
4 Fees and Litigation Costs and Expenses. Should Plaintiff and/or Class Counsel request a lesser
5 amount for Attorneys' Fees and/or the Court approves a lesser amount, the difference between the
6 lesser amount and \$308,302.50 will be a part of the Net Settlement Amount. Should Plaintiff
7 and/or Class Counsel request a lesser amount for its Litigation Costs and Expenses and/or the Court
8 approves a lesser amount, the difference between the lesser amount and \$6,500.00 will be added to
9 the Net Settlement Amount. Class Counsel will not be permitted to petition the Court for, or
10 accept, any additional payments from Defendant for attorneys' fees, costs, or expenses in
11 connection with the Action. Class Counsel shall assume full responsibility and liability for the
12 payment of taxes due on such awards.

13 Defendant's payment of the Attorneys' Fees and Litigation Costs and Expenses awarded to
14 Class Counsel shall constitute full satisfaction of the obligation to pay any amounts to any person,
15 attorney, or law firm for attorneys' fees, costs, or expenses in the Action incurred by any attorney
16 on behalf of the Plaintiff, the Class Members, and the PAGA Members, and shall relieve
17 Defendant, the Settlement Administrator, and Defendant's counsel of any other claims or liability to
18 any other attorney or law firm for any attorneys' fees, costs, and expenses to which any of them
19 may claim to be entitled on behalf of Plaintiffs and/or the Class Members and PAGA Members.

20 10.7 Settlement Administrator

21 Subject to approval by the Court, the Parties agree that the fees and expenses of the
22 Settlement Administrator in relation to services rendered in administration of the Settlement of the
23 Action shall be deducted from the Settlement Amount, not to exceed \$15,000.00 ("Settlement
24 Administration Costs"), absent approval of the Court for a greater amount. If the Settlement
25 Administrator's actual costs are lower than, or the Court awards less than the total amount allocated
26 for Settlement Administration Costs, the difference in any such amounts will be a part of the Net
27 Settlement Amount.

28 The Settlement Administrator shall have the authority to mail the Class Notice; establish a

1 qualified settlement fund account and administer the Settlement Amount; and disburse funds from
2 the Settlement Amount in accordance with this Agreement. The Settlement Administrator shall
3 calculate the Individual Settlement Payments to be paid to the Participating Class Members in
4 accordance with the terms and provisions of this Agreement; calculate the Individual PAGA
5 Payments to be paid to PAGA Members in accordance with the terms and provisions of this
6 Agreement; distribute the Class Notice; determine eligibility for payment to a Class Member or
7 PAGA Member; resolve any disputes regarding the Workweeks and/or PAGA Pay Periods credited
8 to each Class Member and/or PAGA Member; keep track of those Class Members requesting to be
9 excluded from the Settlement, and provide information regarding objections and Requests for
10 Exclusion to the Parties' counsel; mail the Individual Settlement Payment checks to Participating
11 Class Members and Individual PAGA Payment checks to PAGA Members; undertake require tax
12 withholdings and reporting; and perform such other tasks necessary to effectuate the terms of this
13 Agreement or as the Parties mutually agree or the Court orders the Parties to perform. The
14 Settlement Administrator shall regularly report to the Parties, in written form, the substance of the
15 work performed.

16 The Settlement Administrator will submit to the Court, in conjunction with the motion for
17 final approval, a declaration providing, among other things, the number of Class Notices it mailed
18 to the Class Members, the number of Class Notices that it re-mailed, the number of Class Notices
19 that were ultimately undeliverable, the number of Requests for Exclusion and objections that it
20 received, the number of defective Requests for Exclusion and objections that it received, the total of
21 its charges for services rendered, and the anticipated future charges contemplated in order to bring
22 the administration of the Settlement and distribution of payments to completion.

23 Any disputes relating to the Settlement Administrator's ability and need to perform its
24 duties shall be referred to the Court.

25 10.8 Time for Funding of the Settlement

26 Prior to the Effective Date of the Settlement, Defendant will not be required to fund the
27 Settlement, in whole or in part, through the Settlement Administrator or any third party. Within
28 thirty (30) calendar days after the Effective Date or by January 20, 2025, whichever is later,

1 Defendant shall provide the Settlement Administrator with sufficient funds to make all the
2 payments required under this Settlement.

3 10.9 Time for Distribution

4 Within 30 calendar days after receipt of the Settlement Amount from Defendant, the
5 Settlement Administrator shall make the following payments as approved by the Court:
6 (1) Individual Settlement Payments to Participating Class Members; (2) Individual PAGA
7 Payments to PAGA Members; (3) the Service Award; (4) Plaintiff's Individual Settlement
8 Payment; (5) the Attorneys' Fees; (6) the Litigation Costs and Expenses; (7) the portion of the
9 PAGA Payment to the LWDA; and (8) the Settlement Administration Costs.

10 10.10 Notice of Final Judgment

11 The Parties agree that notice of final judgment will be provided to the Participating Class
12 Members via a notice, in the form attached hereto as "Exhibit 2," which shall be mailed by the
13 Settlement Administrator to all Participating Class Members within three (3) calendar days of the
14 Settlement Administrator's receipt of the final approval order.

15 10.11 Allocation

16 All Individual Settlement Payments will be allocated as follows: 20% as wages ("wage
17 portion") and 80% as penalties, any other non-taxable items, and interest. The wage portion of each
18 Individual Settlement Payment will be subject to W-2 reporting and, therefore, normal employee's
19 share of payroll taxes and withholdings will be deducted pursuant to applicable state and federal
20 law. Defendant shall be responsible for paying employer-side taxes separately from the Settlement
21 Amount. Participating Class Members will be issued an IRS Form 1099 for the portion of their
22 Individual Settlement Payments that is treated as interest and penalties and any other non-taxable
23 items, and will assume full responsibility and liability for the payment of taxes due on such awards,
24 if any. All Individual PAGA Payments will be allocated as 100% penalties and interest and PAGA
25 Members will be issued an IRS Form 1099 for their Individual PAGA Payment, and will assume
26 full responsibility and liability for the payment of taxes due on such awards, if any. The Parties
27 make no representations about the tax consequences to the portion of the Individual Settlement
28 Payments representing interest and penalties.

1 **11. INTEREST**

2 The Settlement Amount includes any and all interest accruals and no additional interest shall
3 be due under any circumstances.

4 **12. TAXATION**

5 12.1 Plaintiff, Participating Class Members, and PAGA Members represent and warrant
6 that they understand that it is their sole obligation to pay appropriate federal, state, and local
7 income taxes on any amounts they receive under this Agreement that lawfully qualify as taxable
8 income.

9 12.2 CIRCULAR 230 DISCLAIMER: EACH PARTY TO THIS AGREEMENT (FOR
10 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
11 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
12 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
13 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
14 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
15 INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE
16 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN
17 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31
18 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
19 EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX
20 ADVISERS FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
21 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
22 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
23 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
24 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
25 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
26 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
27 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
28 OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF

1 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
2 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
3 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
4 AGREEMENT.

5 **13. COURT APPROVAL**

6 13.1 The Parties agree that no later than ten (10) days after signing this Agreement,
7 Plaintiff will submit a PAGA letter to the LWDA as necessary to comport with and include all
8 claims set forth in the Release and Waiver of Claims by PAGA Members as defined herein in
9 Section 6.2. Further, Plaintiff will file with the Court an amended complaint to add a cause of
10 action under the Private Attorneys' General Act of 2004 ("PAGA"), which shall include all
11 claims set forth in the Release and Waiver of Claims by PAGA Members as defined herein in
12 Section 6.2, to the extent they are not already included.

13 13.2 Following the Preliminary Approval Order, if Defendant does not exercise its right
14 to cancel the Settlement solely as provided for herein, a motion for final approval of the
15 Settlement will be filed by Class Counsel, which, if not separately filed by Class Counsel, will
16 include a request for Attorneys' Fees, Litigation Costs and Expenses, and Service Award as
17 provided for herein, which Defendant will not oppose. The Parties agree to take all steps as may
18 be reasonably necessary to secure final approval of the Settlement as quickly as possible, to the
19 extent not inconsistent with the terms of this Agreement, and will not take any action adverse to
20 each other in obtaining Court approval, and, if necessary, appellate approval, of the Agreement in
21 all respects.

22 13.3 If the Court does not grant preliminary approval and/or final approval of the
23 Settlement, or if the Court's Final Approval Order and Final Judgement are reversed or materially
24 modified on appeal, then this Settlement will become null and void.

25 13.4 In the event the Court declines to enter the Final Approval Order and Final
26 Judgment, this Agreement shall be null and void and any order or judgment entered by the Court
27 in furtherance of this Agreement shall be treated as void. In such a case, the Parties and any funds
28 to be awarded under this Settlement shall be returned to their respective statuses as of the date and

1 time immediately prior to the execution of this Agreement, and the Parties shall proceed in all
2 respects as if this Agreement had not been executed, except that any fees and expenses already
3 reasonably incurred by the Settlement Administrator shall be paid by Defendant.

4 **14. MISCELLANEOUS PROVISIONS**

5 14.1 No Effect on Regular Rate or Overtime Compensation. Participating Class Members
6 and PAGA Members will receive payment under the Settlement, as determined by the Settlement
7 Administrator in accordance with this Agreement. The Parties agree that this payment is not
8 viewed as additional compensation for purposes of calculating a “regular rate” of pay under
9 California or federal law for the period during which it is received, and no additional overtime
10 compensation is required as a result of such payment; further, any claim to entitlement to any
11 additional overtime compensation is expressly waived under the terms of this Agreement. No
12 person or entity shall have any claim against Defendant, Defendant’s Counsel, Plaintiff, any Class
13 Members or PAGA Members, Class Counsel, or the Settlement Administrator based upon
14 distributions and payments made in accordance with this Agreement.

15 14.2 No Effect on Employee Benefits. The Individual Settlement Payments and/or
16 Individual PAGA Payments to be paid to Plaintiff, Participating Class Members, and PAGA
17 Members, and the Service Award to be paid to Plaintiff shall be deemed not to be pensionable
18 earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee
19 benefits (e.g., vacations, holiday pay, retirement plans, 401k plans, sick leave plans, PTO plans,
20 etc.) of Plaintiff, any Participating Class Members or any PAGA Members. Such payments do not
21 represent any modification of Plaintiff’s, Participating Class Members’, or PAGA Members’
22 previously credited hours of service or other eligibility criteria under any employee pension benefit
23 plan or employee welfare benefit plan sponsored by Defendant. Further, any Individual Settlement
24 Payment, Individual PAGA Payment, or Service Award shall not be considered “compensation” in
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1 any year for purposes of determining eligibility for, or benefit accrual within, an employee pension
2 benefit plan or employee welfare benefit plan sponsored by Defendant.

3 14.3 Headings. The descriptive headings of any paragraphs or sections of this Agreement
4 are inserted for convenience of reference only and do not constitute a part of this Agreement.

5 14.4 Final Agreement. This Agreement constitutes the exclusive and final understanding
6 and expression of all agreements between the Parties with respect to the resolution of the Action,
7 and supersedes all prior agreements and understandings between the Parties relating to the subject
8 matter hereof. Plaintiff, on behalf of himself and on behalf of the Class Members, PAGA
9 Members, and LWDA, and Defendant enter into this Agreement based solely upon its terms and not
10 in reliance upon any representations or promises other than those contained in this Agreement.

11 14.5 Amendment or Modification. This Agreement may be amended or modified only by
12 a written instrument signed by counsel for the Parties, or their successors, and approved by the
13 Court.

14 14.6 Counterparts/Facsimile. This Agreement may be executed in one or more actual or
15 telecopied counterparts, all of which will be considered one and the same instrument and all of
16 which will be considered duplicate originals. A signature by facsimile on this Agreement shall be as
17 legally binding as an original signature.

18 14.7 Authority. Counsel for all Parties represent and warrant they are expressly
19 authorized by the Parties whom they represent to negotiate this Agreement and to take all
20 appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to
21 effectuate its terms, and to execute any other documents required to effectuate the terms of this
22 Agreement. The Parties and their counsel will cooperate with each other and use their best efforts
23 to effectuate the implementation of the Settlement. In the event that the Parties are unable to reach
24 agreement on the form or content of any document needed to implement the Settlement, or on any
25 supplemental provisions that may become necessary to effectuate the terms of the Settlement, the
26 Parties shall seek the assistance of the Court to resolve such disagreement. The person signing this
27
28

1 Agreement on behalf of Defendant represents and warrants that he is authorized to sign this
2 Agreement on its behalf.

3 14.8 Binding on Successors and Assigns. This Agreement shall be binding upon, and
4 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

5 14.9 Interim Stay of Proceedings. The Parties agree to stay and hold all proceedings in the
6 Action in abeyance, except such proceedings necessary to implement and complete the Settlement,
7 pending the Final Approval Hearing to be conducted by the Court.

8 14.10 Fair, Adequate, and Reasonable Settlement. The Parties and their respective counsel
9 believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the
10 Action and have arrived at this Agreement through arm's-length negotiations, considering all
11 relevant factors, current and potential.

12 14.11 Cooperation and Drafting. Each of the Parties has cooperated in the drafting and
13 preparation of this Agreement. Hence, in any construction made to this Agreement, the same shall
14 not be construed against any of the Parties.

15 14.12 Invalidity of Any Provision. Before declaring any provision of this Agreement
16 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
17 consistent with applicable precedents so as to define all provisions of this Agreement as valid and
18 enforceable.

19 14.13 Plaintiff's Waiver of Right to Be Excluded. By signing this Agreement, Plaintiff is
20 bound by the terms herein stated and further agrees not to submit a Request for Exclusion from the
21 Settlement. Any such Request for Exclusion shall therefore be void and of no force or effect.
22 Plaintiff also agrees to not disparage the Settlement to Class Members or PAGA Members or
23 encourage, in any way, Class Members to submit or not to submit a Request for Exclusion. In
24 addition, neither Plaintiff nor Class Counsel will initiate any contact with Class Members or PAGA
25 Members about the amount or terms of the Settlement.

26 14.14 Publicity. Plaintiff and Class Counsel agree that they will not issue any press
27 releases, initiate any contact with the press, respond to any press inquiry or have any
28 communication with the press about the amount or terms of the Settlement. Class Counsel may

1 respond to press inquiries by stating the matter has been resolved and refer the press to court
2 filings. In addition, Plaintiff and Class Counsel agree that they will not engage in any advertising
3 or distribute any marketing materials specifying any material terms relating to the Settlement of
4 the Action, including but not limited to any postings on any websites maintained by Class Counsel
5 and including but not limited to the identity of Defendant and/or any information that identifies
6 Defendant. The Settlement Administrator shall not create nor maintain any separate website
7 regarding this Settlement at any time. Any communication about the Settlement to Class
8 Members prior to the Court-approved mailing of the Class Notice will be limited to a statement
9 that a settlement has been reached and the details will be communicated in a forthcoming Court-
10 approved notice. Plaintiff is prohibited from discussing the terms or the fact of the settlement with
11 third parties other than (1) his spouse, and/or (2) his accountants or lawyers as necessary for tax
12 purposes.

13 14.15 Defense. To the extent permitted by law, this Settlement may be plead as a full and
14 complete defense to, and may be used as the basis for an injunction against, any action, suit, or
15 other proceeding that may be instituted, prosecuted, or attempted with respect to the Released Class
16 Claims against the Released Parties in breach of or contrary to the Settlement.

17 14.16 Final Judgment. The Parties agree that, upon final approval of the Settlement, a
18 Final Judgment will be made and entered, resolving the Action in its entirety.

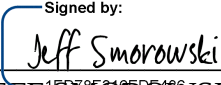
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1 WHEREFORE, Plaintiff, on behalf of himself and the Participating Class Members,
2 PAGA Members, and LWDA, and Defendant, have executed this Agreement as of the dates set
3 forth below.

4
5 Executed on: 12/10/2024

Signed by:

PLAINTIFF JEFF SMOROWSKI

6
7
8 Executed on: _____

DEFENDANT ARC HOME LLC

9
10
11 RIGHETTI GLUGOSKI, PC

12
13 Executed on: _____

JOHN GLUGOSKI
For Plaintiff Jeff Smorowski

14
15
16 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

17 Executed on: _____

GREG S. LABATE
FRANCES M.K. HERNANDEZ
LAUREN J. BLAES
For Defendant Arc Home LLC

WHEREFORE, Plaintiff, on behalf of himself and the Participating Class Members, PAGA Members, and LWDA, and Defendant, have executed this Agreement as of the dates set forth below.

Executed on: _____

PLAINTIFF JEFF SMOROWSKI

Executed on: 12-11-2024

Stuart Kepler
DEFENDANT ARC HOME LLC

RIGHETTI GLUGOSKI, PC

Executed on:

JOHN GLUGOSKI
For Plaintiff Jeff Smorowski

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

Executed on: 12/11/2024

GREG S. LABATE
FRANCES M.K. HERNANDEZ
LAUREN J. BLAES
For Defendant Arc Home LLC

1 WHEREFORE, Plaintiff, on behalf of himself and the Participating Class Members,
2 PAGA Members, and LWDA, and Defendant, have executed this Agreement as of the dates set
3 forth below.
4
5 Executed on: _____ PLAINTIFF JEFF SMOROWSKI
6
7
8 Executed on: _____ DEFENDANT ARC HOME LLC
9
10
11 RIGHETTI GLUGOSKI, PC
12
13 Executed on: 12/11/2024  _____
14 JOHN GLUGOSKI
15 For Plaintiff Jeff Smorowski
16
17 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
18 Executed on: _____
19 GREG S. LABATE
20 FRANCES M.K. HERNANDEZ
21 LAUREN J. BLAES
22 For Defendant Arc Home LLC
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EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT

JEFF SMOROWSKI, PLAINTIFF, V. ARC HOME LLC, DEFENDANT.

**SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF LOS ANGELES
CASE NO. 23STCV22716 (“ACTION”)**

A court authorized this notice. This is not a solicitation from a lawyer.

If you are or were employed by Arc Home LLC in California as an exempt or non-exempt employee at some time between September 20, 2019, through [insert date of preliminary approval of settlement], you may be eligible to receive a settlement payment.

A judge of the Los Angeles Superior Court has ordered that this Notice be sent to you. A class and representative action settlement (the “Settlement”) has been reached in the above-referenced lawsuit (the “Action”) between Jeff Smorowski (“Plaintiff” or “Class Representative”) and Defendant Arc Home LLC (“Defendant” or “Arc”), which may affect your legal rights. On [date of preliminary approval], the Court granted preliminary approval of the Settlement.

Because your rights may be affected by this Settlement, it is important that you read this Notice carefully. If you still have questions, or if you wish to update your mailing information, please contact the settlement administrator, [redacted], at (xxx) xxx-xxxx.

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND GET AUTOMATIC PAYMENT	If you do nothing, you will <u>automatically</u> receive your share of the settlement if the Court finally approves the settlement. You will release all claims covered by the settlement. You do not have to do anything to receive a payment.
EXCLUDE YOURSELF	If you do not wish to participate in the settlement, you can opt-out of the Class portion of the Settlement by sending the Administrator a written Request for Exclusion by [redacted], 2024. If you opt-out, you (1) will not be a Participating Class Member; (2) will not receive an Individual Settlement Payment; and (3) will be barred from filing an objection to the settlement. You cannot opt-out of the PAGA portion of the proposed Settlement.
OBJECT	Class Members who do not opt out of the proposed settlement (“Participating Class Members”) may object to the settlement. The deadline to file objections with the Court is [redacted], 2024.

1. Why did I get this notice?

You received this notice because Arc’s records show that you worked as an exempt or non-exempt employee for Arc in California for some time during the period of September 20, 2019 through [PA Date] (the “Class Period”). This means you are a potential “Class Member,” which consists of all current and former exempt and non-exempt employees who worked for Arc in California during any portion of the Class Period. In addition, you are also a “PAGA Member” if you are currently or were formerly employed as an exempt or non-exempt employee of Arc who worked for Arc in California at any time between September 20, 2022 through [PA Date] (“PAGA Period”).

This notice tells you how you can a) participate in the Settlement and receive your share of the settlement proceeds, b) object to the Settlement, or c) exclude yourself from the Settlement.

2. What is the Action and Settlement about?

On September 20, 2023, Plaintiff filed a complaint against Defendant, which alleges that Arc failed to pay minimum and overtime wages, wage statement violations, failed to reimburse for business expenses and losses incurred, , among other claims. Arc denies each and every allegation in the Action, denies any liability or wrongdoing of any kind, and believes that it treated, and continues to treat, its employees fairly and in full compliance with the law.

The parties participated in mediation with a respected mediator and, as a result, the parties reached a settlement, subject to Court approval, to resolve all claims asserted in the Action. Plaintiff believes the Settlement is fair, adequate, and reasonable, and is in the best interest of Class Members. By agreeing to settle, Arc is not admitting liability on any of the factual allegations or claims in the Action or that the Action can or should proceed as a class or representative action. The Court has not ruled on the merits of the Plaintiff's claims or Arc's defenses (which means the court has not decided who is right or wrong).

On **DATE**, the Court issued an order preliminarily approving the Settlement, approving this Notice, and setting a hearing on **[hearing date]** at **[hearing time]** ("Final Approval Hearing") to decide whether to give final approval to the Settlement. See below for details.

3. What does the settlement provide?

Subject to the Court's final approval, the terms of the Settlement are as follows:

- A. Arc will pay the gross settlement amount of \$925,000.00 (the "Settlement Amount"). The portion of the Settlement Amount that is available for payment to Class Members who did not submit a valid and timely Request for Exclusion ("Participating Class Members") is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Settlement Amount less the following payments:: attorneys' fees of not more than 33.33% of the Settlement Amount (\$308,302.50) and costs incurred for representing Plaintiff and the Class in the Action not to exceed \$6,500.00; class representative service payment to Plaintiff for his services as Class Representative of not more than \$5,000.00; payment of \$75,000.00 to Plaintiff to resolve his pending action before the Civil Rights Department of the Department of Fair Employment and Housing; payment of \$55,000.00 allocated toward civil penalties under the California Private Attorneys General Act of 2004 (the "PAGA Settlement"), of which 75% (\$41,250.00) will be paid to the California Labor and Workforce Development Agency ("LWDA") and 25% (\$13,750.00) will be paid to PAGA Members, pursuant to PAGA; and an administrator expenses payment not to exceed \$15,000.00 to the Settlement Administrator. Each of these sums will be paid from the Settlement Amount.
- B. Each Participating Class Member will be allocated an "Individual Settlement Payment," that will be calculated based on the number of "Workweeks" the Participating Class Member worked for Arc in California as an exempt or non-exempt employee during the Class Period, as follows: (1) divide each Participating Class Member's respective Workweeks by the Total Workweeks, and (2) multiply the resulting figure by the Net Settlement Amount. Each Individual Settlement Payment will be allocated as 20% taxable wages ("Wage Portion") and 80% penalties, interest, and any other non-taxable items ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on an IRS W-2 Form. (Arc will separately pay employer payroll taxes it owes on the Wage Portion.) The Administrator will report the Non-Wage Portion of the Individual Settlement Payment on an IRS 1099 Form.
- C. In addition to the Individual Settlement Payment, each PAGA Member will be allocated an "Individual PAGA Payment," which will be calculated based on the number of "Pay Periods" the PAGA Member worked for Arc in California as an exempt or non-exempt employee during the PAGA Period ("PAGA Pay Periods"), as follows: (1) dividing each PAGA Member's PAGA Pay Periods by the total number of Pay Periods worked by all PAGA Members during the PAGA Period, and (2) multiplying the resulting figure by the portion of the

PAGA Payment allocated to PAGA Members (\$13,750.00). The Administrator will report the full amount of the Individual PAGA Payment on an IRS 1099 Form.

According to Arc's records, you worked for Arc as an exempt or non-exempt employee in California for a total of [REDACTED] Workweeks during the Class Period. According to Arc's records, you worked for Arc as an exempt or non-exempt employee in California for a total of [REDACTED] Pay Periods during the PAGA Period. Based on the above methodology, your estimated Individual Settlement Payment is \$ [REDACTED] and your estimated Individual PAGA Payment is \$ [REDACTED].

Although the parties have agreed to the above allocations, neither side is giving you any advice on whether your Individual Settlement Payment or Individual PAGA Payment 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 Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement. None of the above payments will be eligible for benefit contributions or employee matching.

4. What am I giving up in exchange for the settlement benefits?

Those Class Members who do not submit a timely and valid Request for Exclusion to the Settlement Administrator as explained below (i.e. Participating Class Members), on behalf of themselves and their respective past, present, and future spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, upon the date Defendant fully funds the Settlement, shall fully and finally release and discharge Arc and each of its past, present, and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present, and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns, and each of them (collectively, the "Released Parties"), from the Released Claims. The "Released Claims" are defined as all claims, debts, liabilities, demands, actions, or causes of action pleaded or asserted in the Action or that reasonably could have been pleaded or asserted based upon the facts alleged in the Action, including but not limited to state and/or federal wage and hour claims, failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, reporting time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal rounding; misclassification; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties at the proper rate of pay; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment; failure to timely pay all wages due at separation of employment; failure to provide one day's rest in a seven-day workweek; unauthorized or improper deductions; failure to maintain accurate records, including payroll records; unfair business practices; declaratory relief; penalties, including but not limited to recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; interest; and attorneys' fees and costs. The Released Claims also expressly include all claims arising under the California Labor Code (including but not limited to Sections 200-204, 210, 218, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 2800, 2802); the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code Section 17200, et seq.; the California Civil Code, including but not limited to Sections 3287, 3336, and 3294; 8 CCR Sections 11040; California Code of Civil Procedure, including but not limited to Section 1021.5; and the FLSA, 29 U.S.C. Section 201, et seq. This release excludes the release of claims not permitted by law. The time frame of the Released Claims shall be the Class Period. This is referred to herein as the "Released Class Claims."

In addition, as of the date Defendant fully funds the Settlement, Plaintiff, the LWDA, and each and all PAGA Members, on behalf of themselves and their respective past, present, and future spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, will be deemed to have fully and finally released and discharged the Released Parties, and each of them, of all Released Claims arising during the PAGA Period that reasonably could have been pleaded or asserted based upon the facts alleged in the Action and/or LWDA Notice. This is referred to herein as the "Released PAGA Claims."

5. Who are the attorneys representing the parties?

Class Counsel

John Glugoski – jglugoski@righettilaw.com
RIGHETTI GLUGOSKI, P.C.
2001 Union Street, Suite 400
San Francisco, CA 94123
Telephone: (415) 983-0900

Defendant's Counsel

Greg S. Labate – glabate@sheppardmullin.com
Lauren J. Blaes – Lblaes@sheppardmullin.com
Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, CA 92626-1993
Telephone: (714) 513-5100

6. How do I participate in the settlement?

You are not required to take any action to receive your individual settlement share under the Settlement. If you do nothing, your share of the settlement proceeds will be mailed to you by check after the Court grants “final approval” of the Settlement, and after time for appeals has ended or any appeals have been resolved, if applicable.

7. How do I opt-out (request exclusion) of the Settlement Class?

If you wish to exclude yourself from the Settlement, you must submit a valid and timely request for exclusion (“Request for Exclusion”) to the Settlement Administrator by mail, postmarked on or before **[Response Deadline]** to the following:

SETTLEMENT ADMIN INFO

Your Request for Exclusion must be in writing and include the following: (1) the Class Member’s full name, current address, last four digits of his/her Social Security number; (2) the case name and number; (3) a clear statement that the Class Member wishes to be excluded from the Settlement in the matter of *Smorowski v. Arc Home LLC*; and (4) the Class Member’s signature and the date of signature.

Your Request for Exclusion will not be valid if it does not comply with the above requirements. The date of the postmark on the return mailing envelope shall be the exclusive means used to determine whether the Request for Exclusion was timely submitted. Class Members who do not submit a valid and timely written Request for Exclusion shall be deemed to be a Participating Class Member and bound by all terms of the Settlement and any final judgment entered in the Action if the Settlement is approved by the Court.

Any Class Member who submits a valid and timely Request for Exclusion will not be a Participating Class Member, will not receive an Individual Settlement Payment, and will not be bound by the Class portion of the Settlement, including the Released Class Claims of the Settlement, or have any right to object, appeal, or comment thereon.

There is no statutory right or other right for any Class Member to opt out, request exclusion or otherwise exclude themselves from the PAGA portion of the Settlement and the associated PAGA Released Claims. A Class Member who submits a valid and timely Request for Exclusion and who is also a PAGA Member shall still receive his or her Individual PAGA Payment and shall be bound by the PAGA Released Claims.

8. What happens with any uncashed settlement checks?

Participating Class Members, and all PAGA Members, will have one hundred and eighty (180) calendar days from the date on which the Individual Settlement Payment and/or Individual PAGA Payment check is issued, to cash or deposit the check. The check will be void after 180 days from the date of issuance, and the Settlement provides that

money will either be redistributed or transmitted to the State Controller's Unclaimed Property Fund, depending on the amount of the uncashed check.

9. What if I dispute the number of Workweeks/PAGA Pay Periods allocated to me?

If a Class Member objects to the Workweeks and/or PAGA Pay Periods credited to him or her, as stated herein, the Class Member must submit written correspondence to the Settlement Administrator that is postmarked no later than **[Response Deadline]**, explaining the basis for the dispute and including any supporting documentation showing that the Workweeks and/or PAGA Pay Periods credited to him or her is inaccurate. Arc's records will be presumed determinative, absent credible evidence to rebut the accuracy of the Workweeks and/or PAGA Pay Periods credited to a Class Member based thereon. The Settlement Administrator will evaluate the evidence submitted by the Class Member and make a recommendation to the Parties as to which figures should be applied. If the Parties disagree with the Settlement Administrator's recommendation, the dispute will be presented to the Court for determination.

10. How do I object to the Settlement?

If you do not file a Request for Exclusion, you may object to the Settlement before final approval of the Settlement by the Court. To assert an objection to the Settlement, a Participating Class Member must submit an objection to the Settlement Administrator by first class U.S. mail at the address specified on the Class Notice, not later than **[Response Deadline]**. The date of the postmark will be the exclusive means for determining whether an objection has been timely submitted. All objections must be in writing, which includes: (1) the objector's full name, address, last four digits of his or her Social Security number, and signature; (2) the case name and number; (3) the factual and legal basis, with supporting documents, if any, on which the objection is based; (4) whether the objector is represented by an attorney and providing the contact information of any such attorney; and (5) whether the objector plans to appear at the Final Approval Hearing.

If you do not send a written objection, you may still appear at the final approval hearing or through an attorney you hire, at your own expense, to object. If you fail to object, you shall be deemed to have waived any objections and shall be foreclosed from making any objection to the Settlement.

If a Participating Class Member objects to this Settlement, the Participating Class Member will remain a member of the Class, and if the Court grants final approval of the Settlement, he or she will be bound by the terms of the Settlement and any Final Approval Order and Final Judgment.

11. When and where is the final approval hearing?

The Court will hold a Final Approval Hearing in Department **X** of the Los Angeles County Superior Court, located at Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012, **on XXX at __:00 a.m.** If there are objections, the Court will consider them at the Final Approval Hearing. The Court will also be asked to approve Attorneys' Fees, Litigation Costs and Expenses for Class Counsel, Service Award to Plaintiff, PAGA Payment, and Settlement Administration Costs. The Final Approval Hearing may be moved to another date without further notice to the Class Members. It is your responsibility to monitor the Court's docket. It is not necessary for you to appear at this hearing.

ADDITIONAL INFORMATION

This Notice is only a summary of the Action and the Settlement. For the precise terms and conditions of the Settlement, you may refer to the settlement agreement and other papers which are on file with the Court. You may view the Settlement Agreement and other court records, including the Final Approval Order and Judgment, in the Action at the Los Angeles County Superior Court, 111 N. Hill Street, Los Angeles, CA 90012, during court business hours, Monday through Friday (except court holidays) or by online by visiting the following website: <https://www.lacourt.org>.

PLEASE DO NOT CONTACT THE COURT OR THE OFFICE OF THE CLERK WITH INQUIRIES.

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

EXHIBIT 2

Final Judgment Postcard

NOTICE OF FINAL APPROVAL AND ENTRY OF JUDGMENT

Jeff Smorowski v. Arc Home, LLC
Los Angeles County Superior Court
Case No. 23STCV22716

This notice is being mailed to all Participating Class Members, including you, to advise you that the Court has approved the settlement in the matter of Smorowski v. Arc Home, LLC (Los Angeles Superior Court, Case No. 23STCV22716) and entered judgment accordingly. Because you, the addressee of this notice, are a Class Member, and because you did not opt out of the Settlement Class, you are receiving this notice and no further action from you is required under the Judgment.

Questions? Please call toll-free: [ILYM PHONE #]

Smorowski v. Arc Home, LLC

c/o ILYM Group

[ILYM ADDRESS]

PRESORTED
First Class
US Postage
PAID

ILYM ID: <<ID>>
<<Employee Name>>
<<Address>>
<<City, State, Zip>>