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Attorneys for Plaintiff GINA HARRIS,
individually, and on behalf of other similarly
situated employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

GINA HARRIS, individually, and on behalf of
other similarly situated employees,

Plaintiff,

vs.

ARHAUS, LLC; ARHAUS, INC.; and DOES
1 through 25, inclusive,

Defendants.

Case No. 24STCV24656 (Consolidated with Case
No. 24STCV31631)

Honorable Elaine Lu
Department 9

**DECLARATION OF ALEXANDRA ROSE IN
SUPPORT OF PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: November 25, 2025

Time: 10:00 a.m.

Dept.: 9

Complaint Filed: September 23, 2024

Trial Date: Not Set

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1 attended all hearings; attended all mediations; coordinated with class action administrators; prepared
2 and worked with experts; first and second chaired multiple trials and arbitrations; and engaged in all
3 other intricate facets of litigation. During that time, he represented a wide range of clients from sole
4 proprietorships to Fortune 500 companies in state, federal, complex, and appellate courts. Many of
5 the cases he managed were highly publicized, with articles written about them in the Los Angeles
6 Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super Lawyers has
7 regularly honored him as a Southern California Rising Star since 2012.

8 4. Miriam L. Shimmel is a 28-year litigator who joined Blackstone Law, APC in June
9 2022, following ten years of working with two well-known plaintiff-side wage and hour law firms in
10 Los Angeles. She obtained her Bachelor of Arts degree in Political Science from the University of
11 California at Los Angeles in 1992. Thereafter, she received her law degree from Loyola Law School
12 in 1996 and was admitted to the California State Bar in December 1996. Since her admission to the
13 Bar, she has devoted her practice to a wide variety of litigation matters on both the plaintiff and defense
14 side, including general business, toxic tort, medical device, and pharmaceutical matters. Since 2010,
15 her practice has been devoted almost entirely to employment litigation consisting of wage and hour
16 class actions and representative actions pursuant to PAGA, as well as individual actions based on
17 violations of the Fair Employment and Housing Act ("FEHA"). Approximately 75% of her work in
18 this regard has been on behalf of employees (plaintiffs), while the remaining 25% was on behalf of
19 employers/businesses. On many of those cases, she was the senior lead attorney managing the
20 litigation and overseeing other attorneys. In that capacity, she obtained extensive experience analyzing
21 potential wage and hour and wrongful termination claims for viability; took and defended hundreds of
22 depositions; propounded and responded to discovery; prepared and opposed a wide variety of motions
23 and pleadings, including dispositive and certification motions, as well as settlement approval motions;
24 strategized on all cases; participated in and directed communication with class members; attended
25 hearings; led and participated in mediations; coordinated with class action administrators; prepared
26 and worked with experts; and engaged in all other related aspects of litigation in state, federal,
27 complex, and appellate courts.

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1 5. Joana Fang is a highly skilled eight-year lawyer who is part of the team at Blackstone
2 Law, APC that litigated this matter. She is a 2015 graduate of Loyola Law School, and a 2011 graduate
3 of University of California, Berkeley where she was a double major in Legal Studies and Media
4 Studies. Since passing the Bar, Ms. Fang has exclusively represented plaintiffs in wage and hour
5 litigation, as well as catastrophic injury complex litigation. She is admitted to the State of California,
6 all federal district courts of California, and the U.S. Court of Appeals for the 9th Circuit. She was
7 most recently recognized as a 2025 Southern California Rising Star by Super Lawyers.

8 6. I joined Blackstone Law, APC from a highly reputable employment law firm. I
9 graduated from the University of California, Los Angeles with a Bachelor of Arts degree in 2016 and
10 from New England Law | Boston with a Juris Doctor degree in 2019. I was admitted to the State Bar
11 of California in December of 2019 and the State Bars of New York and New Jersey in 2023. I am
12 additionally licensed in all federal district courts of California. I have worked on many wage and hour
13 class action and PAGA representative matters, and my work has included, *inter alia*, researching and
14 drafting pleadings, administrative notice exhaustion, drafting, negotiating, and finalizing stipulations
15 and settlement agreements, engaging in motion practice, claims evaluation and analysis, and making
16 court appearances.

17 7. Jasmine Y. Kianfard recently joined Blackstone Law, APC. She received her Bachelor
18 of Arts degree from California State University, Fullerton in 2015, her Master of Journalism from
19 University of Southern California, Los Angeles in 2016, and Juris Doctor degree from Chapman
20 University Dale E. Fowler School of Law in 2021. She was admitted to the State Bar of California in
21 2023.

22 8. Blackstone Law, APC has been counsel of record on several class action and PAGA
23 actions that have since been resolved, the most recent of which are attached hereto as **Exhibit 1**.

24 **Procedural History of the Actions**

25 9. On September 23, 2024, Plaintiff provided written notice to the California Labor and
26 Workforce Development Agency (“LWDA”) by online submission and to Defendants Arhaus, LLC
27 and Arhaus, Inc. (together, “Defendants”) by U.S. Certified Mail, pursuant to California Labor Code
28 Section 2699.3, of the specified provisions of the California Labor Code alleged to have been violated

by Defendants (“PAGA Letter”). A true and correct copy of the PAGA Letter is attached hereto as **Exhibit 2.**

10. On September 23, 2024, Plaintiff filed a Class Action Complaint (“Class Operative Complaint”) in the action entitled *Gina Harris v. Arhaus, LLC; Arhaus, Inc.*, Los Angeles County Superior Court Case No. 24STCV24656 (“Class Action”), thereby commencing a putative class action against Defendants.

11. On December 2, 2024, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* (“PAGA Operative Complaint”) in the action entitled *Gina Harris v. Arhaus, LLC; Arhaus, Inc.*, Los Angeles County Superior Court Case No. 24STCV31631 (“PAGA Action”), which alleged one cause of action under PAGA against Defendants.

12. The Class Operative Complaint and PAGA Operative Complaint (together, “Operative Complaints”) allege causes of action for violations of the California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to provide one day’s rest in seven, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and premiums payments in lieu thereof, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to timely pay wages upon termination, and failure to reimburse necessary business expenses, for violations of California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil penalties under PAGA based on the aforementioned California Labor Code violations.

13. On March 21, 2025, Plaintiff and Defendants (collectively, the “Parties”) participated in a formal mediation conducted by Brandon McKelvey, Esq. (“Mediator”), a neutral and respected mediator with extensive experience in complex wage and hour matters, and with the assistance of the Mediator’s evaluations, the Parties were able to reach an agreement to resolve this dispute on a class and representative basis. The Parties then worked diligently to negotiate and memorialize the terms in a long form settlement agreement.

14. On June 27, 2025, the Court ordered the Class Action and PAGA Action (together, “Actions”) consolidated.

1 15. On August 1, 2025, the Parties executed the Stipulation of Class Action and PAGA
2 Settlement (“Settlement” or “Settlement Agreement”). A true and correct copy of the Settlement
3 Agreement is attached hereto as **Exhibit 3**.

4 **Summary of the Terms of the Settlement Agreement**

5 16. For purposes of settlement only, the Parties have agreed that the Class shall be defined
6 as “all current and former hourly-paid and/or non-exempt employees who worked for Defendants in
7 the State of California at any time during the Class Period” (“Class” or “Class Member(s)”). The
8 Class Period is defined as the period from September 23, 2023 through May 23, 2025, subject to
9 Paragraph 17 of the Settlement Agreement. Based on information provided by Defendants, as of
10 February 25, 2025, it is estimated that there are a total of two hundred and four (204) Class Members.

11 17. The Parties have agreed to settle the class and PAGA claims at issue in the Operative
12 Complaints for a non-reversionary Gross Settlement Amount of Two Hundred Nineteen Thousand
13 Dollars and Zero Cents (\$219,000.00), exclusive of employer-side payroll taxes. The Gross
14 Settlement Amount is a common fund and therefore includes all requested costs, fees, and other
15 allocations. The Gross Settlement Amount includes: (1) Class Counsel’s fees in the amount of thirty
16 five percent (35%) of the Gross Settlement Amount (i.e., \$76,650.00 if the Gross Settlement Amount
17 is \$219,000.00); (2) Class Counsel’s actual litigation costs and expenses, not to exceed Thirty
18 Thousand Dollars and Zero Cents (\$30,000.00); (3) Settlement Administration Costs, not to exceed
19 Seven Thousand Dollars and Zero Cents (\$7,000.00); (4) Enhancement Payment in the amount of Five
20 Thousand Dollars and Zero Cents (\$5,000.00); and (5) PAGA Amount in the amount of Forty
21 Thousand Dollars and Zero Cents (\$40,000.00). After the above-estimated amounts are deducted from
22 the Gross Settlement Amount, the Net Settlement Amount that will be available for Class Members is
23 currently estimated to be Sixty Thousand Three Hundred Fifty Dollars and Zero Cents (\$60,350.00).
24 Additionally, 35% of the PAGA Amount (“PAGA Employee Amount”), which is \$14,000.00 out of
25 \$40,000.00, will be fully distributed to “all current and former hourly-paid and/or non-exempt
26 employees who worked for Defendants in the State of California at any time during the PAGA Period”
27 (“PAGA Employee(s)"). The “PAGA Period” is defined as the period from September 23, 2023
28 through May 23, 2025, subject to Paragraph 17 of the Settlement Agreement.

1 18. The Net Settlement Amount will be distributed and paid to all Class Members who do
2 not submit a timely and valid Request for Exclusion (“Settlement Class Member(s)”) on a *pro rata*
3 basis based on the number of weeks each Class Member worked for Defendants as an hourly-paid
4 and/or non-exempt employee in California during the Class Period (“Workweeks”). The *pro rata*
5 share of the Net Settlement Amount that a Class Member may be eligible to receive under the Class
6 Settlement (“Individual Settlement Share”) will be calculated by the Settlement Administrator, in
7 accordance with the Settlement Agreement.

8 19. The PAGA Employee Amount will be distributed and paid to all PAGA Employees on
9 a *pro rata* basis based on the number of pay periods each PAGA Employee worked for Defendants as
10 an hourly-paid and/or non-exempt employee in California during the PAGA Period (“Pay Periods”).
11 The *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive
12 under the PAGA Settlement (“Individual PAGA Payment”) will be calculated by the Settlement
13 Administrator, in accordance with the Settlement Agreement.

14 20. Each Individual Settlement Share will be allocated as twenty percent (20%) wages and
15 eighty percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will
16 be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage
17 damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The
18 Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect
19 to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class
20 Members for their net payment of their Individual Settlement Share (“Individual Settlement
21 Payment”). The employers’ share of taxes and contributions in connection with the wages portion of
22 Individual Settlement Shares will be paid by Defendants separately and in addition to the Gross
23 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)
24 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

25 21. The Settlement Agreement is a non-reversionary and non-claims made settlement. The
26 Net Settlement Amount will be fully distributed to Settlement Class Members and the PAGA Amount
27 will be fully distributed to the LWDA and PAGA Employees, in accordance with the Settlement
28 Agreement. No money will revert to Defendants.

22. Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds associated with such canceled checks will be distributed by the Settlement Administrator to the State of California's Unclaimed Property Division in the name of the Settlement Class Member and/or PAGA Employee.

The Settlement is Reasonable

Informed Arms-Length Negotiations

23. The Parties' settlement negotiations were at all times made at arm's-length and were adversarial. The Settlement was reached following a full day of mediation with a highly respected mediator with substantial experience mediating wage and hour cases, and Plaintiff engaged in additional negotiations in order to finalize the long-form agreement presently before the Court.

24. The Parties engaged in extensive informal discovery prior to reaching a settlement. Prior to mediation, Defendants produced a random thirty-three percent (33%) sampling of putative class members' time and pay data. The random sampling was conducted by sorting the putative class members' employee ID numbers, then selecting every third employee until the sampling was met. Defendants also produced relevant wage and hour policies, and information regarding the total number of putative class members, the number of current versus former employees, the total workweeks worked by the putative class members, and the average rate of pay for the putative class members.

25. This allowed Class Counsel to conduct an informed assessment and analysis of the strengths and weaknesses of the claims and the potential class-wide damages.

26. Based on the information exchanged, the Parties extensively briefed issues regarding class certification and liability and provided their analyses to the Mediator who helped the Parties debate the strengths and weakness of their respective positions.

Estimate of Potential Value of Claims

27. Class Counsel analyzed all available data and estimated Defendants' maximum potential exposure to be approximately \$1,501,644, assuming the litigation was successful at trial on all claims at issue and every employee had a violation for each claim on every shift worked. This maximum potential analysis was then reduced based on the challenges facing the likelihood of

obtaining class certification, prevailing at trial, and other attendant risks. This estimate is based off an estimated maximum liability for all claims at issue and the total aggregate workweeks during the relevant time period, less interest, and based on the analysis of the data which was extrapolated out for all class members across the entire putative class period, which included: \$19,546 for meal period violations (less meal period premiums paid); \$130,391 for rest period violations; \$130,391 for unpaid off-the-clock work for 1 hour per workweek of off-the-clock work; \$195,586 for unpaid overtime wages; \$368,900 for failure to provide one day's rest in seven; \$33,780 for unreimbursed business expenses; \$254,150 for waiting time penalties; and \$368,900 for wage statement penalties. Plaintiff further estimated that Defendants faced an additional exposure of \$379,100 in potential, non-stacked (i.e., one penalty, per employee, per pay period during the PAGA statutory period) PAGA penalties. Together with the PAGA penalties, Defendants' maximum potential exposure totaled \$1,880,744 in damages.

Specific Risks Considered

28. Although the investigation and information discovered supports Plaintiff's contentions, Defendants raised potential defenses and other circumstances that impacted the risk of proceeding on a class-wide basis. Consideration of these risks factored into the negotiations and the decision to enter the Settlement.

29. Class Counsel is aware of Defendants' defenses and arguments and has also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, including those involved in class and/or representative adjudication. Plaintiff further recognizes the burdens of proof necessary to establish liability for the claims asserted in the Actions, Defendants' defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiff has also considered the Parties' settlement discussions, as well as the evaluations of the Mediator, who is experienced and well-regarded in complex labor and employment matters.

30. Defendants denied and continue to deny any liability and wrongdoing of any kind associated with the claims alleged in the Actions, and further deny that class certification is appropriate for any purpose other than the Settlement. Defendants believe that they would ultimately prevail in the Actions. Defendants proffered defenses to both certification and to the merits of Plaintiff's claims.

1 Defendants contended that Plaintiff's claims are not suitable for class certification because individual
2 issues would predominate should this case go to trial. As with all class actions, these complex cases
3 raise difficult management and proof issues and, accordingly, there is a significant risk that the Court
4 may deny class certification. Additionally, Defendants alleged that the putative class members signed
5 enforceable arbitration agreements with class action waivers.

6 31. For example, Plaintiff's meal period claims, which were based on Defendants' alleged
7 failure to provide lawful meal periods, have been increasingly difficult to certify in recent years.
8 Plaintiff's theory of liability for meal period violations was based on allegations that Defendants had
9 failed to implement their policies and that their practices failed to allow Class Members to take meal
10 breaks in the manner required under California law. Defendants contended that their policies and
11 practices at all times during the Class Period were lawful. Indeed, Plaintiff's analysis revealed only
12 a 0.9% violation rate for purported unique meal period violations net of meal period premiums paid.
13 Defendants further argued that the rate of purported meal period violations reflected in the data would
14 require individualized inquiry and that such inquiry would prohibit a class from being certified. We
15 also had to consider the risk that the Court would find validity in the individualized proof defense to
16 certification of Plaintiff's meal period claim.

17 32. Additionally, a large portion of Defendants' overall liability lies in Plaintiff's rest
18 period allegations. As with the meal period allegations, Defendants contended that they had a lawful
19 written rest period policy, provided compliant rest breaks, and relieved Class Members of all duties as
20 required under California law. Additionally, this claim was even more uncertain given the difficulties
21 associated with proving the alleged rest period violations, as Defendants were not required to record
22 these breaks. Given the lack of records demonstrating rest period violations, there were legitimate
23 concerns Plaintiff would not be able to certify these claims or prove substantial damages with requisite
24 certainty, which made the estimated value of this claim subject to much challenge.

25 33. Plaintiff also faced challenges certifying and proving liability for her minimum wage
26 and overtime claims. These claims were largely based on Defendants' unrecorded, off-the-clock work
27 performed by the Class Members after their shifts and during purported meal periods. For example,
28 Plaintiff reported that Plaintiff and the other Class Members were expected to communicate with

1 customers to facilitate and close sales, monitor and ensure the shipment of orders, and generally be
2 available to provide customer service as needed, off-the-clock. However, the individualized nature of
3 why this work was performed and the individualized nature of damages presented substantial concerns
4 regarding the manageability of the case and the risk the Court could find these issues prevented
5 certification, and the estimated damages for this claim were based on an assumption that all Class
6 Members worked off the clock for at least one hour per week.

7 34. Plaintiff also contended that Defendants failed to provide one day's rest in seven.
8 Plaintiff alleged that Defendants intentionally and willfully required Plaintiff and the other Class
9 Members to work for periods of seven days straight without one day of rest without properly
10 compensating Plaintiff or the other Class Members, as prescribed by California law, at either the time-
11 and-a-half rate or the double time rate, depending on hours worked on the seventh day. Defendants
12 contended that they paid Plaintiff and the other Class Members in compliance with California law.
13 Defendants also produced payroll data evidencing pay for Class Members working on the seventh
14 consecutive day.

15 35. Plaintiff further contended that Defendants failed to reimburse Plaintiff and the other
16 Class Members for necessary business-related expenses, such the usage of personal cell phones for
17 work-related purposes. Defendants contended that they had a policy and practice of reimbursing
18 employees for necessary business-related expenses. Defendants further contended that, with respect
19 to the alleged expenses for which Plaintiff and the other Class Members never requested
20 reimbursement from Defendants, they did not know and had no reason to know that alleged business-
21 related expenses had been incurred. Defendants further contended that the reason for why a Class
22 Member undertook certain expenses, while not others, and failed to receive reimbursement for certain
23 expenses while not others, would raise individual issues that could not be certified.

24 36. There are also substantial risks associated with Plaintiff's waiting time penalties and
25 wage statement claims. First, these claims were derivative of Plaintiff's claims for unpaid meal period
26 premiums, unpaid rest period premiums, unpaid minimum wages, and unpaid overtime wages, and if
27 certification was denied on those underlying claims, these derivative claims for penalties would also
28 likely fail. Further, even if Plaintiff prevailed on her underlying claims, she would still be required to

1 demonstrate that Defendants' violations of California Labor Code section 203 were *willful* violations.
2 Wage statement claims have also seen varying treatment at the appellate level because such claims
3 have an element of discretion attached to them rather than a pure calculation of damages after liability
4 is proven. Accordingly, these derivative claims, which comprised a substantial portion of Defendants'
5 estimated liability, were therefore uncertain.

6 37. Class Counsel also recognized that, even if Plaintiff prevailed at class certification,
7 proving the amount of wages due to each Class Member would be an expensive, time-consuming, and
8 extremely uncertain proposition. In order to prove liability and damages, Class Counsel will need to
9 request and analyze thousands of pages of documents, obtain the Class Members' contact information,
10 contact them, and obtain declarations at great expense. Obtaining the cooperation of current employees
11 would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a current
12 employer. On the other hand, Defendants would likely be able to obtain the cooperation of their
13 employees. Moreover, even if Plaintiff prevailed at class certification and trial, possible appeals would
14 substantially delay any recovery by the Class.

15 38. Therefore, taking into account how each of the above risks potentially effected
16 Plaintiff's ability to first obtain class certification, and then prove the underlying violations, plus the
17 cost and delay in recovering the alleged potential damages, Class Counsel discounted Defendants'
18 estimated liability based on the challenges facing her ability to succeed on class certification by 60%
19 to \$752,298. The merits-based risk factors further reduced Defendants' estimated liability by an
20 additional 60%. This resulted in an adjusted estimated liability of \$300,919. In light thereof, the
21 settlement amount of \$219,000 is a significant settlement.

22 39. Class Counsel also separately contemplated the risks of proceeding with the PAGA
23 claims and potential liability Defendants could face from these claims as part of the global resolution.
24 Existing case law makes PAGA claims subject to the same defenses and risks as Plaintiff's underlying
25 wage claims. Class Counsel also anticipated that even if successful on the merits at trial, the
26 imposition of cumulative civil penalties based on the alleged wage and hour violations could be
27 considered unjust, arbitrary and oppressive, or confiscatory, and that Defendants would argue that they
28 made a good faith attempt to comply with their legal obligations warranting a reduction in penalties.

1 Class Counsel also anticipated Defendants would argue that the violations per pay period were low,
2 warranting an additional reduction in civil penalties. Finally, we were also mindful of the fact that
3 PAGA is fundamentally not intended to be compensatory in nature but is instead intended to facilitate
4 enforcement of California's labor laws by financing state activities and educating and deterring non-
5 compliance.

6 40. Therefore, after considering this multitude of factors, we concluded that it was in the
7 best interest of the State of California and the PAGA Employees to enter into the Settlement, and to
8 allocate Forty Thousand Dollars and Zero Cents (\$40,000.00) of the Gross Settlement Amount towards
9 the PAGA claims, which represents approximately 18.26% of the Gross Settlement Amount. This
10 percentage of the settlement is well-within the range of wage and hour settlements regularly approved
11 in both state and federal court for cases that include both a class and PAGA action. Typically, such
12 hybrid cases allocate only 1% of the gross settlement value to resolve PAGA claims, and, indeed,
13 settlements allocations as little as 0.22% of the gross settlement amount have been approved as
14 reasonable by courts. Moreover, the overall relief obtained by the Settlement is significant, not only
15 from a monetary perspective, but also because it fulfills the public policy objectives of PAGA—to
16 promote enforcement of California's labor laws, provide funds to the state, and deter future non-
17 compliance by the employer.

18 41. Class Counsel therefore submits that the Settlement is fair, reasonable, and adequate.
19 The Settlement is in the best interest of the Class Members, the PAGA Employees, and the State of
20 California and is within the accepted range of recoveries for this type of litigation given the inherent
21 risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further
22 litigation.

23 *Enhancement Payment*

24 42. As part of the Settlement Agreement, Plaintiff is requesting a reasonable Enhancement
25 Payment of Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff Gina Harris. This
26 Enhancement Payment is eminently reasonable given the time and effort Plaintiff spent on this matter,
27 and the benefit to the Class Members as a result of Plaintiff's actions. Notice of the requested
28 Enhancement Payment is disclosed to the Class Members in the Class Notice.

1 *Attorneys' Fees and Costs*

2 43. The attorneys' fees incurred by Class Counsel are in line with the common fund
3 requested. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an
4 amount of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$76,650.00 if the
5 Gross Settlement Amount is \$219,000.00) and actual litigation costs and expenses in an amount not
6 to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00), which will be paid out of the Gross
7 Settlement Amount, subject to approval by the Court. Class Counsel has borne all of the risks and
8 costs of litigation and will not receive any compensation until recovery is obtained.

9 44. The effectiveness of Blackstone Law, APC's prosecution of this matter has translated
10 into tangible monetary benefits as follows: (1) Class Members, the State of California, and PAGA
11 Employees will obtain monetary recovery over a relatively short period of time, as opposed to waiting
12 additional years for the same, or potentially worse, result; (2) a guaranteed result that compares
13 favorably with other similar class action settlements of this type, given the strengths and weaknesses
14 of the case; and (3) significant savings in Class Counsel's fees and/or costs that would have only
15 increased significantly had the case progress through certification, trial, and/or upon appeal.

16 45. Class Counsel has litigated this matter close to a year and was actively preparing this
17 matter for class certification and trial. The Motion for Final Approval will elaborate on the nature of
18 the legal services provided, the time incurred in performing those services, and Class Counsel's hourly
19 rates. The Motion for Final Approval will also elaborate on the reimbursement costs sought by Class
20 Counsel. Notice of the requested Attorneys' Fees and Costs is disclosed to the Class Members in the
21 Class Notice.

22 *Notice to the Class*

23 46. The Parties have agreed to retain Apex Class Action LLC ("Apex" or "Settlement
24 Administrator") to handle the notice and settlement administration process. The Parties respectfully
25 request that the Court appoint Apex to handle these procedures and to serve as the Settlement
26 Administrator. Defendants will provide Apex with the Class List and Apex will calculate each Class
27 Member's estimated Individual Settlement Share and each PAGA Employee's estimated Individual
28 PAGA Payment. Apex will also receive and process Requests for Exclusion, Notices of Objection,

1 and Disputes; will provide necessary reports and declarations; will calculate, subtract, and transmit
2 necessary taxes and withholdings with respect to the wages portion of the Individual Settlement
3 Shares; will prepare and submit informational and other tax filings and documents; will issue and
4 transmit all payments provided for by the Settlement, including, but not limited to, mailing Individual
5 Settlement Payment checks to the Settlement Class Members and Individual PAGA Payment checks
6 to the PAGA Employees; and perform any other usual and customary duties for administering a class
7 action settlement.

8 47. I am not aware of an alternative method of providing notice to the Class which would
9 result in a higher likelihood of actual notice. The original source of the mailing addresses is from each
10 Class Member, who provided the information to Defendants. As a fail-safe to this highly reliable
11 method, skip tracing will be performed, if necessary.

12 ***Notice of Settlement to the LWDA***

13 48. In accordance with California Labor Code section 2699(l)(2), on August 7, 2025, a
14 copy of the proposed Settlement was submitted to the LWDA via online submission through the
15 LWDA's website. A true and correct copy of the email from the LWDA confirming receipt is attached
16 hereto as **Exhibit 4**.

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

19 Executed on August 7, 2025, at Jersey City, New Jersey



20
21 Alexandra Rose

EXHIBIT 1

- *Aaron Coffey v. Catalina Channel Express, Inc.*, Los Angeles County Superior Court Case No. 21STCV41396, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Djuana Shanella Hale, et al. v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2023-0006866, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Mario Fosados v. Drew Chain Security Corp.*, Los Angeles County Superior Court Case No. 24STCV00519, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jose Manuel Amaro Bernal v. Joseph Holt Plastering, Inc.*, Los Angeles County Superior Court Case No. 24STCV15637, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Brandon Geston v. FRTO LLC, et al.*, Fresno County Superior Court Case No. 24CECG01292, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Alfonso Herrera v. W.L. Butler Construction, Inc., et al.*, Orange County Superior Court, Case No. 30-2023-01335445-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Marcos Ojendiz, et al. v. Jonathan Louis International*, Los Angeles County Superior Court, Case No. 21STCV35253, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Emmanuel Caldera v. Zeb's World Famous Boathouse Inc. dba Goat Hill Tavern*, Orange County Superior Court, Case No. 30-2023-01310801-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jason McEntee v. Roche Molecular Systems, Inc.*, Alameda County Superior Court, Case No. 23CV041360, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Alexzander Roberts, et al. v. Lemonade Restaurant Group*, Los Angeles County Superior Court, Case No. 22STCV38302, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Halla Knotts v. Launch Technical Workforce Solutions, LLC*, San Bernardino County Superior Court, Case No. CIVSB2332568, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Armando Gastelum v. Premier Trailer Manufacturing, Inc.*, Tulare County Superior Court, Case No. VCU300333, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Tiffany Patterson v. Black Mountain Healthcare, LLC., d/b/a Seaport Home Health & Hospice*, San Diego County Superior Court, Case No. 37-2023-00037563-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Angel Rodriguez v. American Textile Maintenance*, Los Angeles County Superior Court, Case No. 22STCV17855, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rita Ray v. Families Together of Orange County*, Orange County Superior Court, Case No. 30-2023-01324555-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Ly Hai v. Sunroad HS Auto, Inc.*, San Diego County Superior Court, Case No. 37-2022-00025788-CU-OE-CTL, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Anabel Perez v. Eureka Specialties, Inc.*, Los Angeles County Superior Court, Case No. 22STCV35940, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Galicia v. Virco, Inc., et al.*, Los Angeles County Superior Court, Case No.

23STCV29425, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Rene Umana v. Columbus Technologies*, Los Angeles County Superior Court, Case No. 22STCV16432, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Sitara Nayabhil v. San Francisco SPCA (dba SFSPCA), a California 501(c)(3) non-profit organization*, San Francisco County Superior Court, Case No. CGC-23-609950, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Fernando Solis v. Tuff Shed, Inc.*, Los Angeles County Superior Court, Case No. 24VECV00368, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tyler Emery v. Santa Cruz Bicycles, LLC*, Santa Cruz Superior Court, Case No. 24CV00244, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Vanessa Cortes v. Giti Tire (USA) LTD*, San Bernardino County Superior Court, Case No. CIVSB2332578, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jered Ortega v. YMCA of San Diego County*, San Diego County Superior Court, Case No. 37-2023-00043645-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court, Case No. 24CV00082, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Alejandra Jimenez v. ClearFreight, Inc.*, Los Angeles County Superior Court, Case No. 23STCV28938, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jazzmin Cortez v. Millard Mall Services, Inc.*, Riverside County Superior Court, Case No. CVRI2104010, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case No. 22CV403427, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Rodriguez v. Republique, LLC*, Los Angeles County Superior Court, Case No. 23STCV14521, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court, Case No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court, Case No. CIVSB2211140, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No. 21CV003541, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00313753, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No. CIV2203067, approved as class counsel in final settlement of wage and hour class

and PAGA action.

- *Alexander Jackson v. Lifecare Assurance Company*, Los Angeles County Superior Court, Case No. 23STCV26579, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case No. 21STCV34040, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No. BCV-21-101933, approved as class counsel in final settlement of wage and hour class action.
- *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
- *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No. 22STCV01892, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No. 21STCV40168, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of

representative wage and hour action pursuant to PAGA.

- *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case No. 21STCV33067, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2208601, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County Superior Court, Case No. 21STCV34864, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.*, Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.*, Contra Costa County Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.*, Orange County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Samia Salazar Yunis v. Sharif Jewelers*, Sacramento County Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court,

Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.

- *Sasha Aiono v. Benefit Cosmetics*, Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

EXHIBIT 2



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September 23, 2024

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Gina Harris v. Arhaus, LLC; Arhaus, Inc.*

To Whom It May Concern:

This office represents Gina Harris (“Claimant”) with respect to their claims under the California Labor Code against Arhaus, LLC and Arhaus, Inc. (including all affiliates, subsidiaries, parents, directors, and officers) (collectively referred to herein as “Employers”). This letter is being sent simultaneously to Employers by certified mail.

Employers employed Ms. Harris from approximately April 2024 to approximately July 2024 as a non-exempt, hourly-paid employee. Ms. Harris worked as an Interior Design Sales Consultant for Employers and was based out of Employers’ facility located at 401 Newport Center Dr, #224, Newport Beach, CA 92660.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”). Claimant is seeking penalties on behalf of themselves and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period who suffered the violations alleged (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant’s notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California’s wage and hour laws during Claimant’s employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the applicable Industrial Welfare Commission Wage Order (“IWC Wage Order”). Employers’ conduct giving rise to the violations detailed below was malicious, fraudulent, and/or oppressive within the meaning of PAGA.

The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employers engaged in numerous unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and the applicable IWC Wage Order require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and the applicable IWC Wage Order further require employers to pay no less than one and one-half times an employee's regular rate of pay for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice an employee's regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time, Employers regularly required Claimant and other Aggrieved Employees to perform work off-the-clock. Employers failed to compensate Claimant and other Aggrieved Employees for any of this off-the-clock work, in violation of California law.

This uncompensated work often resulted in the total number of hours worked by Claimant and other Aggrieved Employees exceeding the daily and/or weekly triggers for overtime wages, yet Employers failed to pay Claimant and Aggrieved Employees applicable overtime rate(s) for these hours.

Employers also failed to accurately record the actual time worked by Claimant and Aggrieved Employees. In addition, Employers utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages and overtime wages) to Claimant and Aggrieved Employees.

Employers also failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; injunctive relief; and attorneys' fees and costs.

2. MEAL BREAK VIOLATIONS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7 & 512(a). Employers must provide a second meal period of no less than thirty (30) minutes before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. *Id.* For each day that an employer fails to provide compliant meal period(s), the employer must pay the employee a meal penalty equal to one hour of pay at the employee's regular rate of compensation. *Id.*

During the relevant time period, Employers failed to provide Claimant and other Aggrieved Employees with legally compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employers to work more than five (5) hours per day but were not provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal breaks, when provided, were oftentimes interrupted and/or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded their own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for each day a compliant meal period was not provided to them in compliance with California law.

Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 226.7, 512(a) and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558 and 1199; injunctive relief; and attorneys' fees and costs.

3. REST BREAK VIOLATIONS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. For each day that an employer fails to authorize and permit a compliant rest period, the employer owes the employee one hour of pay at the employee's regular rate of compensation. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimant and other Aggrieved Employees to take compliant 10-minute rest periods. Employers required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented

Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for each day a rest period was not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 226.7 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to the applicable IWC Wage Orders; Labor Code sections 558 and 1199 penalties; injunctive relief; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month.

California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employers willfully and intentionally failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; injunctive relief; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security

number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described above, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. Employers' failure to provide accurate itemized wage statements was knowing and intentional. Accordingly, Employers violated California Labor Code section 226(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; injunctive relief; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than three years. During the relevant time period, Employers have failed to maintain accurate records relating to Claimant and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 1198.5 and 1174(d).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; injunctive relief; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The applicable IWC Wage Order requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers.

Accordingly, Employers violated the applicable IWC Order **¡Error! No se encuentra el origen de la referencia.** and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders;

injunctive relief; and attorneys' fees and costs.

8. FAILURE TO PROVIDE ONE DAY'S REST IN SEVEN

California Labor Code section 551 states that "[e]very person employed in any occupation of labor is entitled to one day's rest therefrom in seven." California Labor Code section 552 prohibits and employer from "caus[ing] his employees to work more than six days in seven."

In *Mendoza v. Nordstrom, Inc.* (2017) 2 Cal. 5th 1074, the Court addressed unsettled questions relating to employees' guaranteed day of rest under the California Labor Code, noting the following:

1. Employees are entitled to one day of rest for each workweek (as defined by the employer), rather than one rest day in every consecutive seven-day period. [*Mendoza v. Nordstrom, Inc., supra*, 2 Cal.5th at p.1078.] The California Labor Code refers to a week or workweek as a "fixed and regularly recurring period." This can be Sunday to Saturday, or Monday to Sunday, not a rolling period of any seven consecutive days. [*Id.* at p. 1084.] This means that an employee could essentially work more than six consecutive days without a day of rest if the days of work stretch across more than one workweek. This "week-by-week" interpretation can be best understood by dividing the calendar month into seven-day blocks (such as Monday to Sunday). If an employee takes a day of rest early in the workweek (Tuesday) and then another rest day late in the next workweek (Sunday), that employee will essentially work eleven consecutive days without a rest day. This is not per se prohibited under the law. [*Id.* at p. 1080.] The court explained that for every calendar month, an employee is guaranteed no less than one day of rest for every seven days worked. Therefore, rest days need not fall on every seventh day, but can be spaced out differently in a calendar month, "so long as the number of rest days received by the employee amounts to the number of calendar days divided by seven." [*Id.* at p. 1086.]
2. Employees who work six-hour shifts or less on every day of the given workweek are not entitled to a rest day. [*Mendoza v. Nordstrom, Inc., supra*, 2 Cal.5th at p. 1078.] However, this applies only if the employee never works a shift of more than six hours in any day of the given week. Also, the day of rest guarantee does not apply "when the total hours of employment do not exceed 30 hours in any week." [*Id.* at p. 1084.]
3. Finally, an employer "causes" an employee to go without a day of rest "when it induces the employee to forgo rest to which he or she is entitled." [*Mendoza v. Nordstrom, Inc., supra*, 2 Cal.5th at p. 1078.] An employee can, however, independently choose not to take a day of rest and an employer is not prohibited from allowing or permitting the employee to do so. [*Id.*] "An employer may not encourage its employees to forgo rest or conceal the entitlement to rest, but is not liable simply because an employee chooses to work a seventh day." [*Id.* at p. 1091.]

Further, the California Code of Regulations, Title 8 (“Cal. Code Regs.”) provide for the amounts at which employees should be paid when working on the seventh day in the manner proscribed by Cal. Lab. Codes 551 and 552, and further clarified by *Mendoza*. For example, Cal. Code Reg. section 11170 for miscellaneous employees section 4 provides:

4. Daily Overtime - General Provisions

The following overtime provisions are applicable to employees eighteen (18) years of age or over and to employees 16 or 17 years of age who are not required by law to attend school, and are not otherwise prohibited by law from engaging in the subject work. Such employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Eight (8) hours of labor constitutes a day's work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:

(A) One and one-half (1 1/2) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and

(B) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek.

(C) The overtime rate of compensation required to be paid to a nonexempt full-time salaried employee shall be computed by using the employee's regular hourly salary as one-fortieth (1/40) of the employee's weekly salary.

During the relevant time period, Claimant and other Aggrieved Employees were subjected to numerous work periods where they were not afforded one day's rest in seven, and, per the further guidance provided in from the *Mendoza* case, Claimant and other Aggrieved Employees were sometimes required to work two or more weeks straight without a single day off. Therefore, Employers failed to provide Claimant and other Aggrieved Employees the legally-mandated rest days as required by California law, and in violation of California Labor Code sections 551 and 552.

Based on these violations, Claimant will seek civil penalties under PAGA, Labor Code section 2698, *et seq.*, on behalf of the LWDA, and injunctive relief against Employers if authorized to file a representative action on behalf of the State of California.

9. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Employers failed to pay all wages due to their employees within twenty-four (24) hours of termination or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Claimant and Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Claimant and Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Claimant and Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

10. CONCLUSION

Claimant hereby provides notice to the LWDA under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, *et seq.*, and specifically asks for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that Claimant may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, *et seq.*, by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code §



8383 Wilshire Blvd., Suite 745
Beverly Hills, CA 90211
Phone: (310) 622-4278
Fax: (855) 786-6356

2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this timeframe.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW

Megan Emslie Ross
Megan Emslie Ross, Esq.

cc: By U.S. Certified Mail, Return Receipt Requested

Arhaus, LLC
51 East Hines Hill
Boston Heights, OH 44236

Arhaus, LLC
c/o Registered Agent Solutions, Inc.
720 14th St.
Sacramento, CA 95814

Arhaus, Inc.
51 East Hines Hill
Boston Heights, OH 44236

Arhaus, Inc.
c/o Registered Agent Solutions, Inc.
720 14th St.
Sacramento, CA 95814

EXHIBIT 3

1 **STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

2 This Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiff Gina Harris (“Plaintiff”
4 or “Class Representative”), individually, and on behalf of all others similarly situated and on behalf
5 of the State of California with respect to aggrieved employees, and Defendants Arhaus, LLC and
6 Arhaus, Inc. (together, “Defendants”) (collectively, Plaintiff and Defendants are referred to as
7 “Parties” and individually as “Party”).

8 This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as
9 defined herein), the State of California as to the employment of PAGA Employees (as defined herein),
10 and Defendants, subject to the terms and conditions hereof and the approval of the Court.

11 **RECITALS**

12 1. On September 23, 2024, Plaintiff provided written notice to the Labor and Workforce
13 Development Agency (“LWDA”) by online submission and to Defendants by U.S. Certified Mail,
14 pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor
15 Code alleged to have been violated by Defendants (“PAGA Letter”).

16 2. On September 23, 2024, Plaintiff filed a Class Action Complaint (“Class Operative
17 Complaint”) in the action entitled *Gina Harris v. Arhaus, LLC; Arhaus, Inc.*, Los Angeles County
18 Superior Court Case No. 24STCV24656 (“Class Action”), thereby commencing a putative class action
19 against Defendants.

20 3. On December 2, 2024, Plaintiff filed a Complaint for Enforcement Action Under the
21 Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* (“PAGA Operative Complaint”) in
22 the action entitled *Gina Harris v. Arhaus, LLC; Arhaus, Inc.*, Los Angeles County Superior Court Case
23 No. 24STCV31631 (“PAGA Action”), which alleged one cause of action under the Private Attorneys
24 General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.* (“PAGA”) against
25 Defendants.

26 4. The Parties agree to consolidate the Class Action and PAGA Action (together,
27 “Actions”).

28 ///

1 5. The Class Operative Complaint and PAGA Operative Complaint (together, “Operative
2 Complaints”) allege causes of action for violations of the California Labor Code for failure to pay
3 minimum wages, failure to pay overtime wages, failure to provide one day’s rest in seven, failure to
4 provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant
5 rest periods and premiums payments in lieu thereof, failure to timely pay wages during employment,
6 failure to provide compliant wage statements, failure to timely pay wages upon termination, and failure
7 to reimburse necessary business expenses, for violations of California Business & Professions Code
8 Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil
9 penalties under PAGA based on the aforementioned California Labor Code violations.

10 6. Defendants deny all material allegations set forth in the Actions and has asserted
11 numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation,
12 Defendants desire to fully and finally settle the Actions, Released Class Claims (as defined herein),
13 and Released PAGA Claims (as defined herein).

14 7. Class Counsel diligently investigated the class and PAGA claims against Defendants,
15 including any and all applicable defenses and the applicable law. The investigation included, *inter*
16 *alia*, the exchange of information, data, and documents, and review of corporate policies and practices.
17 The Parties have engaged in sufficient informal discovery and investigation to assess the relative
18 merits of the claims and contentions of the Parties.

19 8. On March 21, 2025, the Parties participated in mediation with Brandon McKelvey,
20 Esq. (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance
21 of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The
22 Parties’ settlement discussions were conducted at arms’ length, and the Settlement is the result of an
23 informed and detailed analysis of Defendants’ potential liability and exposure in relation to the costs
24 and risks associated with continued litigation. Based on Class Counsel’s investigation and evaluation,
25 Class Counsel believes that the settlement with Defendants for the consideration and on the terms set
26 forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the
27 Class Members, State of California, and PAGA Employees in light of all known facts and
28 circumstances, including the risk of significant delay and uncertainty associated with litigation and

1 various defenses asserted by Defendants.

2 9. The Parties expressly acknowledge that this Settlement Agreement is entered into
3 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
4 admission of liability or wrongdoing by Defendants. If for any reason this Settlement Agreement is
5 not approved, it will be of no force or effect, and the Parties shall be returned to their original respective
6 positions.

7 **DEFINITIONS**

8 10. The following definitions are applicable to this Settlement Agreement. Definitions
9 contained elsewhere in this Settlement Agreement will also be effective.

10 a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for
11 Class Counsel’s litigation and resolution of the Actions and all actual costs and expenses incurred and
12 to be incurred by Class Counsel in connection with the Actions, as set forth in Paragraph 13.

13 b. “Class” or “Class Member(s)” means all current and former hourly-paid and/or
14 non-exempt employees who worked for Defendants in the State of California at any time during the
15 Class Period.

16 c. “Class Counsel” means Jonathan M. Genish, Miriam L. Schimmel, Joana Fang,
17 Alexandra Rose, and Jasmine Kianfard of Blackstone Law, APC, who will seek to be appointed
18 counsel for the Class.

19 d. “Class List” means a complete list of all Class Members that Defendants will
20 diligently and in good faith compile from its records and provide to the Settlement Administrator. The
21 Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following
22 information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security
23 number; (4) dates worked for Defendants during the Class Period; and (5) such other information as
24 is necessary for the Settlement Administrator to calculate Workweeks and Pay Periods.

25 e. “Class Notice” means the Notice of Class Action Settlement, substantially in
26 the form attached hereto as “**Exhibit A**.”

27 f. “Class Period” means the time period between September 23, 2023 to May 23,
28 2025, subject to Paragraph 17.

1 g. “Class Settlement” means the settlement and resolution of all Released Class
2 Claims.

3 h. “Court” means the Superior Court of the State of California for the County of
4 Los Angeles.

5 i. “Defendants’ Counsel” means Todd B. Scherwin, Lirit A. King, and Alyssa L.
6 Graf of Fisher & Phillips LLP.

7 j. “Dispute” means a letter submitted by a Class Member disputing the number of
8 Workweeks and/or Pay Periods which have been credited to them, which must: (a) contain the case
9 name and number of the Class Action; (b) contain the Class Member’s full name, signature, address,
10 telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c)
11 clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to
12 the Class Member and what the Class Member contends is the correct number; and (d) be returned by
13 mail to the Settlement Administrator at the specified address, postmarked on or before the Response
14 Deadline.

15 k. “Effective Date” means the date by when both of the following have occurred:
16 (a) the Court enters the Final Approval Order and Judgment; and (b) the Final Approval Order and
17 Judgment is final. The Final Approval Order and Judgment is final as of the latest of the following
18 occurrences: (a) if no Settlement Class Member objects to the Class Settlement, the day the Court
19 enters the Final Approval Order and Judgment; (b) if one or more Settlement Class Members objects
20 to the Class Settlement, the day after the deadline for filing a notice of appeal from the Final Approval
21 Order and Judgment; or if a timely appeal from the Order and Judgment is filed, the day after the
22 appellate court affirms the Final Approval Order and Judgment and issues a remittitur.

23 l. “Employer Taxes” means the employers’ share of taxes and contributions in
24 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendants
25 in addition to the Gross Settlement Amount.

26 m. “Enhancement Payment” means the amount to be paid to Plaintiff, in
27 recognition of her effort and work in prosecuting the Actions on behalf of Class Members and PAGA
28 Employees, and general release of claims, as set forth in Paragraph 14.

1 n. “Final Approval” means the determination by the Court that the Settlement is
2 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

3 o. “Final Approval Hearing” means the hearing at which the Court will consider
4 and determine whether the Settlement should be granted Final Approval.

5 p. “Final Approval Order and Judgment” means the order granting final approval
6 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the
7 Parties, and subject to approval by the Court.

8 q. “Gross Settlement Amount” means the amount of Two Hundred Nineteen
9 Thousand Dollars and Zero Cents (\$219,000.00) to be paid by Defendants in full satisfaction of the
10 Actions, Released Class Claims, and Released PAGA Claims, which includes all Attorneys’ Fees and
11 Costs, Enhancement Payment, PAGA Amount, Settlement Administration Costs, and Net Settlement
12 Amount to be paid to the Settlement Class Members. Defendants shall pay the Employer Taxes
13 separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-
14 reversionary; no portion of the Gross Settlement Payment will return to Defendants. The Gross
15 Settlement Amount is subject to increase, as provided in Paragraph 17.

16 r. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee
17 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be
18 calculated in accordance with Paragraph 19.

19 s. “Individual Settlement Payment” means the net payment of each Settlement
20 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
21 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
22 Paragraph 20.

23 t. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
24 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated
25 in accordance with Paragraph 18.

26 u. “LWDA Payment” means the amount of Twenty-Six Thousand Dollars and
27 Zero Cents (\$26,000.00), i.e., 65% of the PAGA Amount, that the Parties have agreed to pay to the
28 LWDA under the PAGA Settlement, as set forth in Paragraph 15.

v. “Net Settlement Amount” means the portion of the Gross Settlement Amount that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount less the Court-approved Attorneys’ Fees and Costs, Enhancement Payment, PAGA Amount, and Settlement Administration Costs.

w. “Notice of Objection” means a Settlement Class Member’s written objection to the Class Settlement, which must: (a) contain the case name and number of the Class Action; (b) contain the objector’s full name, signature, address, telephone number, and the last four (4) digits of the objector’s Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

x. “PAGA Amount” means the allocation of Forty Thousand Dollars and Zero Cents (\$40,000.00) from the Gross Settlement Amount for the PAGA Settlement. Sixty-five percent (65%) of the PAGA Amount, or \$26,000.00, will be paid to the LWDA (i.e., the LWDA Payment) and the remaining thirty-five percent (35%), or \$14,000.00, will be distributed to the PAGA Employees (i.e., the PAGA Employee Amount).

y. “PAGA Employee(s)” means all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the PAGA Period.

z. “PAGA Employee Amount” means the amount of Fourteen Thousand Dollars and Zero Cents (\$14,000.00), i.e., 35% of the PAGA Amount, to be distributed to PAGA Employees on a *pro rata* basis based on their Pay Periods.

aa. “PAGA Period” means the period from September 23, 2023 through May 23, 2025, subject to Paragraph 17.

bb. “PAGA Settlement” means the settlement and resolution of all Released PAGA Claims.

cc. “Pay Periods” means the number of pay periods each PAGA Employee worked for Defendants as an hourly-paid and/or non-exempt employee in California during the PAGA Period.

1 Pay Periods will be calculated by the Settlement Administrator with data provided by Defendants.

2 dd. “Preliminary Approval” means the date on which the Court enters the
3 Preliminary Approval Order.

4 ee. “Preliminary Approval Order” means the order granting preliminary approval
5 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by
6 the Court.

7 ff. “Released Class Claims” means any and all claims which were alleged or which
8 could have been reasonably alleged based on the factual allegations in the Class Operative Complaint,
9 arising during the Class Period, which shall specifically include claims for Defendants’ alleged failure
10 to pay overtime and minimum wages, provide one day’s rest in seven, provide compliant meal and
11 rest periods and associated premium payments, timely pay wages during employment and upon
12 termination, provide accurate wage statements, and reimburse necessary business-related expenses in
13 violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 551,
14 552, 1194, 1197, 1197.1, 1198, 2800, and 2802, the applicable Industrial Welfare Commission Wage
15 Order, and California Business and Professions Code sections 17200, *et seq.*

16 gg. “Released PAGA Claims” means any and all claims arising from any of the
17 factual allegations in the PAGA Letter and the PAGA Operative Complaint, arising during the PAGA
18 Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code
19 Sections 2698 *et seq.*, which shall specifically include claims for Defendants’ alleged failure to pay
20 overtime and minimum wages, provide one day’s rest in seven, provide compliant meal and rest
21 periods and associated premium payments, timely pay wages during employment and upon
22 termination, provide compliant wage statements, keep requisite payroll records, and reimburse
23 necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203,
24 204, 210, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802,
25 and the applicable Industrial Welfare Commission Wage Order.

26 hh. “Released Parties” means Defendants and its former and present directors,
27 officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns,
28 subsidiaries, and affiliates.

1 ii. “Request for Exclusion” means a letter submitted by a Class Member indicating
2 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number
3 of the Class Action; (b) contain the Class Member’s full name, signature, address, telephone number,
4 and last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class
5 Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the
6 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

7 jj. “Response Deadline” means the deadline by which Class Members must submit
8 a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five
9 (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator to
10 Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response
11 Deadline will be extended to the next day on which the United States Postal service is open. The
12 Response Deadline may also be extended by express agreement between Class Counsel and
13 Defendants’ Counsel. In the event that a Class Notice is re-mailed to a Class Member, the Response
14 Deadline for that Class Member shall be extended fifteen (15) calendar days from the original
15 Response Deadline.

16 kk. “Settlement Administrator” means Apex Class Action LLC, or any other third-
17 party class action settlement administrator agreed to by the Parties and approved by the Court for
18 purposes of administering the Settlement. The Parties and their counsel each represent that they do
19 not have any financial interest in the Settlement Administrator or otherwise have a relationship with
20 the Settlement Administrator that could create a conflict of interest.

21 ll. “Settlement Administration Costs” means the costs payable from the Gross
22 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in
23 Paragraph 16.

24 mm. “Settlement Class” or “Settlement Class Member(s)” means all Class Members
25 who do not submit a timely and valid Request for Exclusion.

26 nn. “Workweeks” means the number of weeks each Class Member worked for
27 Defendants as an hourly-paid and/or non-exempt employee in California during the Class Period.
28 Workweeks will be calculated by the Settlement Administrator with the data provided by Defendants.

1 **CLASS CERTIFICATION**

2 11. For the purposes of this Settlement only, the Parties stipulate to the certification of the
3 Class.

4 12. The Parties agree that certification for the purpose of settlement is not an admission
5 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
6 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as
7 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not
8 be admissible in connection with, the issue of whether or not certification would be inappropriate in a
9 non-settlement context.

10 **TERMS OF THE AGREEMENT**

11 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set
12 forth herein, the Parties agree, subject to the Court's approval, as follows:

13 13. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application
14 or motion by Class Counsel for attorneys' fees in the amount up to thirty-five percent (35%) of the
15 Gross Settlement Amount (i.e., \$76,650.00 if the Gross Settlement Amount is \$219,000.00) and
16 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement
17 of the Actions, in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00), both
18 of which will be paid from the Gross Settlement Amount. These amounts will cover any and all work
19 performed and any and all costs incurred by Class Counsel in connection with the litigation of the
20 Actions, including without limitation all work performed and costs incurred to date, and all work to
21 be performed and all costs to be incurred in connection with obtaining the Court's approval of this
22 Settlement Agreement, including any objections raised and any appeals necessitated by those
23 objections. Class Counsel shall be solely and legally responsible for correctly characterizing this
24 compensation for tax purposes and for paying any taxes on the amounts received. The Settlement
25 Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any
26 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel
27 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

28 ///

1 14. Enhancement Payment. Defendants agree not to oppose or impede any application or
2 motion by Plaintiff for an Enhancement Payment in the amount up to Five Thousand Dollars and Zero
3 Cents (\$5,000.00). The Enhancement Payment, which will be paid from the Gross Settlement
4 Amount, subject to Court approval, will be in addition to her Individual Settlement Payment as a
5 Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall be
6 solely and legally responsible for correctly characterizing this compensation for tax purposes and for
7 paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form
8 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment
9 that is not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount for the
10 benefit of the Settlement Class Members.

11 15. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
12 Forty Thousand Dollars and Zero Cents (\$40,000.00) shall be allocated from the Gross Settlement
13 Amount toward penalties under the Private Attorneys General Act, California Labor Code Section
14 2698, *et seq.* (i.e., the PAGA Amount), of which sixty-five percent (65%), or \$26,000.00.00, will be
15 paid to the LWDA (i.e., the LWDA Payment) and thirty-five percent (35%), or \$14,000.00, will be
16 distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the
17 total number of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e., the
18 Individual PAGA Payments).

19 16. Settlement Administration Costs. The Settlement Administrator will be paid for the
20 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
21 which is currently estimated not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00). These
22 costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include,
23 *inter alia*, printing, distributing, and tracking Class Notices and other documents for the Settlement,
24 calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms
25 and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and
26 declarations, and other duties and responsibilities set forth herein to process the Settlement, and as
27 requested by the Parties. To the extent the actual Settlement Administrator's costs are greater than the
28 estimated amount stated herein, such excess amount will be deducted from the Gross Settlement

Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

17. Escalator Clause. Defendants have represented that there are two hundred and five (205) Class Members worked a total of 7,520 workweeks during the Class Period. If it is determined by the Settlement Administrator that the total number of Workweeks worked by the Class Members during the Class Period actually exceeds 9,020, Defendants have the option to either: (1) increase the Gross Settlement Amount proportionally by the number of Workweeks worked in excess of 9,020 or (2) elect to end the Class Period and PAGA Period on the date the number of Workweeks is equal to or less than 7,520, in lieu of paying an increase to the Gross Settlement Amount.

18. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks, as follows:

a. After Preliminary Approval, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield each Class Member's estimated Individual Settlement Share that the Class Member may be entitled to receive under the Class Settlement.

b. After Final Approval, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek Value to each Settlement Class Member's final Individual Settlement Share.

19. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the "Pay Period Value," and multiply each PAGA Employee's individual Pay Periods by the Pay Period

1 Value to yield each PAGA Employee's Individual PAGA Payment.

2 20. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each
3 Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty
4 percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be
5 reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages
6 will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement
7 Administrator will withhold the employee's share of taxes and withholdings with respect to the wages
8 portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their
9 Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes
10 and withholdings). The Employer Taxes will be paid separately and in addition to the Gross
11 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)
12 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

13 21. Administration of Taxes by the Settlement Administrator. The Settlement
14 Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA
15 Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be
16 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement
17 Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll
18 taxes and other legally required withholdings to the appropriate government authorities.

19 22. Tax Liability. Plaintiff, Class Counsel, Defendants, and Defendants' Counsel do not
20 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
21 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement
22 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation
23 by Defendants, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement
24 Class Members, and PAGA Employees understand and agree that Plaintiff, Settlement Class
25 Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties
26 assessed on the payments described in this Settlement Agreement. Plaintiff, Settlement Class
27 Members, and PAGA Employees should consult with their tax advisors concerning the tax
28 consequences of any payment they receive under the Settlement.

1 23. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
2 (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
3 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
4 “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
5 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
6 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS
7 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
8 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
9 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
10 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
11 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
12 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)
13 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
14 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
15 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
16 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
17 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
18 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
19 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S
20 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
21 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX
22 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY
23 TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

24 24. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
25 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
26 are issued to the payee. It is expressly understood and agreed that payments made under this
27 Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee
28 to additional compensation or benefits under any new or additional compensation or benefits, or any

bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

25. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

Plaintiff will obtain a hearing date from the Court for Plaintiff's motion for preliminary approval of the Settlement, which Class Counsel will be responsible for drafting, and submit this Settlement Agreement to the Court in support of said motion. Class Counsel will provide Defendants' Counsel a draft of the preliminary approval motion before filing it with the Court. Defendants agree not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. By way of said motion, Plaintiff will apply for the entry of the Preliminary Approval Order seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiff as the representative of the Class;
- d. Preliminarily appointing Class Counsel as counsel for the Class;
- e. Approving as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing by First Class U.S. Mail;
- f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice; and
- g. Scheduling a Final Approval Hearing at which the Court will determine whether Final Approval of the Settlement should be granted.

26. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2), Class Counsel shall notify the LWDA of the Settlement.

27. Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval, Defendants will provide the Class List to the Settlement Administrator.

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1 28. Notice by First-Class U.S. Mail.

2 a. Within seven (7) calendar days after receiving the Class List from Defendants,
3 the Settlement Administrator will perform a search based on the National Change of Address Database
4 or any other similar services available, such as provided by Experian, for information to update and
5 correct for any known or identifiable address changes, and will mail a Class Notice (in the form
6 attached as **Exhibit A** to this Settlement Agreement) to all Class Members via First-Class U.S. Mail,
7 using the most current, known mailing addresses identified by the Settlement Administrator.

8 b. Any Class Notice returned to the Settlement Administrator as undeliverable on
9 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
10 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
11 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
12 attempt to determine the correct address using a skip-trace or other search, using the name, address,
13 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
14 calendar days.

15 c. Compliance with the procedures described herein above shall constitute due and
16 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
17 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendants' Counsel to
18 provide notice of the Settlement.

19 29. Disputes Regarding Workweeks and/or Pay Periods. Class Members will have an
20 opportunity to dispute the number of Workweeks and/or Pay Periods which have been credited to
21 them, as reflected in their respective Class Notices, by submitting a timely and valid Dispute to the
22 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
23 postmark on the return mailing envelope will be the exclusive means to determine whether a Dispute
24 has been timely submitted. Absent evidence rebutting the accuracy of Defendants' records and data
25 as they pertain to the number of Workweeks and/or Pay Periods to be credited to a disputing Class
26 Member, Defendants' records will be presumed to be correct and determinative of the dispute.
27 However, if a Class Member produces information and/or documents to the contrary, the Settlement
28 Administrator will evaluate the materials submitted by the Class Member and the Settlement

1 Administrator will resolve and determine the number of eligible Workweeks and/or Pay Periods that
2 the disputing Class Member should be credited with under the Settlement. The Settlement
3 Administrator's decision on such disputes will be final and non-appealable.

4 30. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be
5 excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the
6 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
7 postmark on the return mailing envelope will be the exclusive means to determine whether a Request
8 for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class
9 Counsel and Defendants' Counsel the number of timely and valid Requests for Exclusion that are
10 submitted, and also identify the individuals who have submitted a timely and valid Request for
11 Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing.
12 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members
13 to request exclusion from the Class Settlement. Any Class Member who submits a Request for
14 Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who
15 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will
16 not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively
17 request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion
18 will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining
19 to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants
20 Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be bound to
21 the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they
22 submit a Request for Exclusion.

23 31. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
24 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by
25 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing
26 envelope will be the exclusive means to determine whether a Notice of Objection has been timely
27 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendants'
28 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely

1 and complete and which were not), and also attach them to a declaration that is to be filed with the
2 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel
3 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or
4 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or
5 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of
6 whether they have submitted a Notice of Objection.

7 32. Reports by the Settlement Administrator. The Settlement Administrator shall provide
8 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed
9 Class Notices; (ii) the number of Class Members who have submitted Disputes; (iii) the number of
10 Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class
11 Members who have submitted Notices of Objection. Additionally, the Settlement Administrator will
12 provide to counsel for the Parties any updated reports regarding the administration of the Settlement
13 Agreement as needed or requested, and immediately notify the Parties when it receives a request from
14 an individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a
15 Dispute.

16 33. Defendants Right to Rescind. If more than ten percent (10%) of the Class Members
17 submit timely and valid Requests for Exclusion, Defendants may elect to rescind the Settlement
18 Agreement. Defendants must exercise this right of rescission in writing that is provided to Class
19 Counsel within seven (7) calendar days of the Settlement Administrator notifying the Parties of the
20 number of Class Members who have submitted timely and valid Requests for Exclusion following the
21 Response Deadline. If Defendants exercise this option, Defendants shall pay any costs of settlement
22 administration owed to the Settlement Administrator incurred up to that date.

23 34. Certification of Completion. Upon completion of administration of the Settlement, the
24 Settlement Administrator will provide a written declaration under oath to certify such completion to
25 the Court and counsel for all Parties.

26 35. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
27 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final
28 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)

Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys' Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendants' Counsel a draft of the final approval motion before filing it with the Court. By way of said motion, Plaintiff will apply for the entry of the Final Approval Order and Judgment, which will provide for, in substantial part, the following:

- a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- b. Certification of the Settlement Class;
- c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- d. Approval of the application for Enhancement Payment to Plaintiff;
- e. Directing Defendants to fund all amounts due under the Settlement Agreement and ordered by the Court; and
- f. Entering judgment in the Actions, while maintaining continuing jurisdiction, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

36. Funding of the Gross Settlement Amount. No later than five (5) business days after the Effective Date, Defendants will deposit the Gross Settlement Amount into a Qualified Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established by the Settlement Administrator. Defendants shall provide all information necessary for the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit state unemployment insurance tax ID number, and other information requested by the Settlement Administrator, no later than five (5) business days after the Effective Date.

37. Distribution of the Gross Settlement Amount. Within five (5) business days of the funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees, LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys' Fees and Costs to Class Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set

1 aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and
2 timely forward these to the appropriate government authorities.

3 38. Settlement Checks. The Settlement Administrator will be responsible for undertaking
4 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
5 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
6 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
7 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
8 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
9 Members and PAGA Employees are not required to submit a claim to be issued an Individual
10 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
11 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
12 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds
13 associated with such canceled checks shall be distributed by the Settlement Administrator to the State
14 of California's Unclaimed Property Division in the name of the Settlement Class Member and/or
15 PAGA Employee. The Parties agree that this disposition results in no "unpaid residue" under
16 California Civil Procedure Code Section 384, as the entire Net Settlement Amount will be paid out to
17 Settlement Class Members, whether or not they cash their settlement checks. Therefore, Defendants
18 will not be required to pay any interest on such amounts. The Settlement Administrator shall undertake
19 amended and/or supplemental tax filings and reporting required under applicable local, state, and
20 federal tax laws that are necessitated due to the cancelation of any Individual Settlement Payment
21 and/or Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement
22 Payment checks are canceled shall, nevertheless, be bound by the Class Settlement, and PAGA
23 Employees whose Individual PAGA Payment checks are canceled shall, nevertheless, be bound by the
24 PAGA Settlement.

25 39. Class Settlement Release. Upon the Effective Date and full funding of the Gross
26 Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally,
27 and forever released, settled, compromised, relinquished, and discharged the Released Parties of all
28 Released Class Claims.

1 40. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross
2 Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all
3 PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised,
4 relinquished, and discharged the Released Parties of all Released PAGA Claims.

5 41. Plaintiff's General Release. Upon the Effective Date and full funding of the Gross
6 Settlement Amount, Plaintiff, individually and on her own behalf, will be deemed to have fully, finally,
7 and forever released, settled, compromised, relinquished, and discharged the Released Parties from
8 any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees,
9 damages, or causes of action of any kind or nature whatsoever, known or unknown, suspected or
10 unsuspected, asserted or unasserted, arising out of, relating to, or resulting from her employment
11 and/or separation of employment with Defendants, which Plaintiff, at any time up until the execution
12 of this Settlement Agreement, had or claimed to have or may have. It is agreed that this is a general
13 release and is to be broadly construed as a release of all claims, provided that, notwithstanding the
14 foregoing, this Paragraph expressly does not include a release of any claims or actions to enforce this
15 Settlement Agreement, social security benefits, workers' compensation benefits that arose at any time,
16 or any other claims that cannot be released hereunder by law. Any and all rights granted under any
17 state or federal law or regulation limiting the effect of this Settlement Agreement, including the
18 provisions of Section 1542 of the California Civil Code, ARE HEREBY EXPRESSLY WAIVED.
19 Section 1542 of the California Civil Code reads as follows:

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

25 42. Final Approval Order and Judgment. The Parties shall provide the Settlement
26 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
27 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
28 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the

1 Class will be required.

2 43. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the
3 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and
4 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the
5 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,
6 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
7 Settlement Agreement.

8 44. Effects of Termination or Rescission of Settlement. Termination or rescission of the
9 Settlement Agreement shall have the following effects:

10 a. The Settlement Agreement shall be void and shall have no force or effect, and
11 no Party shall be bound by any of its terms;

12 b. In the event the Settlement Agreement is terminated, Defendants shall have no
13 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating
14 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
15 Administrator is notified that the Settlement has been terminated;

16 c. The Preliminary Approval Order and Final Approval Order and Judgment,
17 including any order certifying the Class, shall be vacated;

18 d. The Settlement Agreement and all negotiations, statements, and proceedings
19 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
20 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

21 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
22 statements, or filings in furtherance of the Settlement (including all matters associated with the
23 mediation) shall be admissible or offered into evidence in the Action or any other action for any
24 purpose whatsoever; and

25 f. Any documents generated to bring the Settlement into effect, will be null and
26 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
27 likewise be treated as void from the beginning.

28 ///

1 45. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
2 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
3 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
4 of action or right herein released and discharged.

5 46. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
6 forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein.
7 Any exhibits to this Settlement Agreement are an integral part of the Settlement.

8 47. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
9 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all
10 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
11 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or
12 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
13 expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure
14 Section 1856(a), which provide that a written agreement is to be construed according to its terms and
15 may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic
16 oral or written representations or terms will modify, vary, or contradict the terms of this Settlement
17 Agreement.

18 48. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
19 the Action (including with respect to California Code of Civil Procedure Section 583.310), except
20 such proceedings necessary to implement and complete this Settlement Agreement, pending the Final
21 Approval Hearing to be conducted by the Court.

22 49. Amendment or Modification. Prior to the filing of the motion for preliminary approval
23 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
24 except by written agreement signed by counsel for all Parties. After the filing of the motion for
25 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
26 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject
27 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not
28 constitute a waiver of any other provision.

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1 50. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
2 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
3 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
4 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
5 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
6 full authority to enter into this Settlement Agreement, and further intend that this Settlement
7 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
8 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
9 confidentiality provisions that otherwise might apply under state or federal law.

10 51. Signatories. It is agreed that because the members of the Class are so numerous, it is
11 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this
12 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
13 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement
14 as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have
15 the same force and effect as if this Settlement Agreement were executed by each Settlement Class
16 Member and PAGA Employee.

17 52. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
18 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

19 53. California Law Governs. All terms of this Settlement Agreement and attached exhibits
20 hereto will be governed by and interpreted according to the laws of the State of California.

21 54. Execution and Counterparts. This Settlement Agreement is subject only to the
22 execution of all Parties. However, this Settlement Agreement may be executed in one or more
23 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
24 copies of the signature page, will be deemed to be one and the same instrument.

25 55. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
26 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
27 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into
28 account all relevant factors, present and potential. The Parties further acknowledge that they are each
represented by competent counsel and that they have had an opportunity to consult with their counsel

1 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to
2 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement
3 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to
4 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

5 56. Invalidity of Any Provision. Before declaring any provision of this Settlement
6 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
7 possible consistent with applicable precedents so as to define all provisions of this Settlement
8 Agreement valid and enforceable.

9 57. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by
10 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate
11 to implement the Settlement.

12 58. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
13 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
14 continued litigation. In entering into this Settlement Agreement, Defendants do not admit, and
15 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines
16 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;
17 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;
18 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement
19 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
20 construed as an admission or concession by Defendants of any such violations or failures to comply
21 with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement
22 Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received
23 as evidence in any action or proceeding to establish any liability or admission on the part of Defendants
24 or to establish the existence of any condition constituting a violation of, or a non-compliance with,
25 federal, state, local, or other applicable law.

26 59. Captions. The captions and paragraph numbers in this Settlement Agreement are
27 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or
28 intent of the provisions of this Settlement Agreement.

1 60. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
2 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
3 construed more strictly against one Party than another merely by virtue of the fact that it may have
4 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length
5 negotiations between the Parties, all Parties have contributed equally to the preparation of this
6 Settlement Agreement.

7 61. Representation By Counsel. The Parties acknowledge that they have been represented
8 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
9 that this Settlement Agreement has been executed with the consent and advice of counsel, and
10 reviewed in full.

11 62. All Terms Subject to Final Court Approval. All amounts and procedures described in
12 this Settlement Agreement herein will be subject to final Court approval.

13 63. Notices. All notices, demands, and other communications to be provided concerning
14 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
15 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
16 as follows:

17 To Plaintiff and Class Counsel:

18 Jonathan M. Genish

19 jgenish@blackstonepc.com

20 Miriam L. Shimmel

21 mschimmel@blackstonepc.com

22 Joana Fang

23 jfang@blackstonepc.com

24 Alexandra Rose

25 arose@blackstonepc.com

26 Jasmine Y. Kianfard

27 jkianfard@blackstonepc.com

28 **BLACKSTONE LAW, APC**

8383 Wilshire Boulevard, Suite 745

Beverly Hills, California 90211

Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendants:

Todd B. Scherwin

tscherwin@fisherphillips.com

Lirit A. King

lking@fisherphillips.com

Alyssa L. Graf
agraf@fisherphillips.com
FISHER & PHILLIPS LLP
444 South Flower Street, Suite 1500
Los Angeles, California 90071
Tel: (213) 330-4500 / Fax: (213) 330-4501

64. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendants:

IT IS SO AGREED.

PLAINTIFF GINA HARRIS

Dated: 08/01/2025



Plaintiff Gina Harris

DEFENDANT ARHAUS, LLC

Dated: _____

Full Name: _____

Title: _____
On behalf of Defendant Arhaus, LLC

DEFENDANT ARHAUS, INC.

Dated: _____

Full Name: _____

Title: _____
On behalf of Defendant Arhaus, Inc.

Alyssa L. Graf
agraf@fisherphillips.com
FISHER & PHILLIPS LLP
444 South Flower Street, Suite 1500
Los Angeles, California 90071
Tel: (213) 330-4500 / Fax: (213) 330-4501

64. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendants:

IT IS SO AGREED.

PLAINTIFF GINA HARRIS

Dated: _____

Plaintiff Gina Harris

DEFENDANT ARHAUS, LLC

Dated: 29 July 2025

Full Name: ALLAN CHURCHMAN
Title: SVP/SENIOR LEGAL COUNSEL
On behalf of Defendant Arhaus, LLC

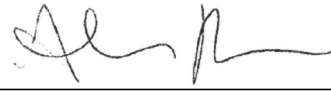
DEFENDANT ARHAUS, INC.

Dated: 29 July 2025

Full Name: ALLAN CHURCHMAN
Title: SVP/SENIOR LEGAL COUNSEL
On behalf of Defendant Arhaus, Inc.

1 **APPROVED AS TO FORM ONLY:**

2 **BLACKSTONE LAW, APC**

3 

4 Dated: 08/01/2025

Alexandra Rose
Attorneys for Plaintiff Gina Harris
and Proposed Class Counsel

7 **FISHER & PHILLIPS LLP**

9 Dated: _____

Todd B. Scherwin
Lirit A. King
Alyssa L. Graf
Attorneys for Defendants Arhaus, LLC and
Arhaus, Inc.

1 **APPROVED AS TO FORM ONLY:**

2 **BLACKSTONE LAW, APC**

3
4 Dated: _____

Alexandra Rose
Attorneys for Plaintiff Gina Harris
and Proposed Class Counsel

7 **FISHER & PHILLIPS LLP**

8
9 Dated: July 31, 2025



Todd B. Scherwin
Lirit A. King
Alyssa L. Graf
Attorneys for Defendants Arhaus, LLC and
Arhaus, Inc.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Gina Harris v. Arhaus, LLC; Arhaus, Inc.,
Superior Court of California for the County of Los Angeles, Case No. 24STCV24656
Gina Harris v. Arhaus, LLC; Arhaus, Inc.,
Superior Court of California for the County of Los Angeles, Case No. 24STCV31631

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendants' 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 Workweeks and/or Pay Periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Gina Harris ("Plaintiff") and Defendants Arhaus, LLC and Arhaus, Inc. (together, "Defendants") (Plaintiff and Defendants are collectively referred to as the "Parties") in the cases entitled *Gina Harris v. Arhaus, LLC; Arhaus, Inc.*, Los Angeles County Superior Court, Case No. 24STCV24656 ("Class Action") and *Gina Harris v. Arhaus, LLC; Arhaus, Inc.*, Los Angeles County Superior Court, Case No. 24STCV31631 ("PAGA Action") (together, the "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 Member(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the Class Period.

"Class Period" means the period from September 23, 2023 through May 23, 2025.

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

"PAGA Employee(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the PAGA Period.

"PAGA Period" means the period from September 23, 2023 through May 23, 2025.

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

II. BACKGROUND OF THE ACTION

On September 23, 2024, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that Plaintiff contends were violated ("PAGA Letter"). On September 23, 2024, Plaintiff commenced a putative class action lawsuit by filing a Class Action Complaint ("Class Operative Complaint") in the Class Action. On December 2, 2024, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et. Seq.* ("PAGA Operative Complaint") in the PAGA Action.

On [redacted], the Court ordered the Class Action and PAGA Action consolidated.

Plaintiff contends that Defendants failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and 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 the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* (“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.

Defendants deny 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 Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

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

Jonathan M. Genish
Miriam L. Schimmel
Joana Fang
Alexandra Rose
Jasmine Y. Kianfard
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 an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA 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 Defendants that the claims in the Actions have merit or that Defendants have any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendants, 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 PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Two Hundred Nineteen Thousand Dollars and Zero Cents (\$219,000.00) (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., \$76,650.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff for her services in the Actions; (3) the amount of Forty Thousand Dollars and Zero Cents (\$40,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 65% (\$26,000.00) (“LWDA Payment”) and the remaining 35% (\$14,000.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00) 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 (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendants as an hourly-paid and/or non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty percent (20%) as wages, which will be reported on an IRS Form W-2, and eighty percent (80%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendants separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of pay periods each PAGA Employee worked for Defendants as an hourly-paid and/or non-exempt employee in California during the PAGA Period (“Pay Periods”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 35% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the “PAGA Pay Period Value,” and multiplied each PAGA Employee’s individual Pay Periods by the Pay Period Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA 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, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA 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 Workweeks and Pay Periods (if applicable) Based on Defendants’ Records

According to Defendants’ records:

- **From September 23, 2023 through May 23, 2025 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From September 23, 2023 through May 23, 2025 (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.**

If you wish to dispute the Workweeks and/or Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator (“Dispute”). The Dispute must: (a) contain the case name and number of the Class Action (*Harris v. Arhaus, LLC; Arhaus, Inc.*, Case No. 24STC24656); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and Pay Periods (if applicable) credited to you.

**Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED].
The Individual Settlement Share is subject to reduction for the employee’s share of taxes and**

withholdings with respect to the wages portion of the Individual Settlement Share 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 Individual PAGA 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 Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means any and all claims which were alleged or which could have been reasonably alleged based on the factual allegations in the Class Operative Complaint, arising during the Class Period, which shall specifically include claims for Defendants’ alleged failure to pay overtime and minimum wages, provide one day’s rest in seven, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide accurate wage statements, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 551, 552, 1194, 1197, 1197.1, 1198, 2800, and 2802, the applicable Industrial Welfare Commission Wage Order, and California Business and Professions Code sections 17200, *et seq.*

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letter and the PAGA Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, which shall specifically include claims for Defendants’ alleged failure to pay overtime and minimum wages, provide one day’s rest in seven, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, keep requisite payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

“Released Parties” means Defendants and its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$76,650.00) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and 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 PAGA 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. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Five Thousand Dollars and Zero Cents (\$5,000.00) (“Enhancement Payment”), in recognition of her services in connection with the Actions. The Enhancement 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 her Individual Settlement Payment and Individual PAGA Payment that she is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00) (“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, Notices of Objection, and Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA 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 Individual Settlement 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 Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement regardless of whether you exclude yourself from the Class Settlement. Therefore, you will be issued your Individual PAGA 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 Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA 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 the Class Action (*Harris v. Arhaus, LLC; Arhaus, Inc.*, Case No. 24STC24656); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before [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 an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class 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 Settlement 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. PAGA Employees will be

bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA 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 (“Notice of Objection”) to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Class Action (*Harris v. Arhaus, LLC; Arhaus, Inc.*, Case No. 24STC24656); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

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

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 9 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012, 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 Attorneys’ Fees and Costs to Class Counsel, Enhancement 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 PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

You can find more information regarding appearing remotely through LA Court Connect online at: <https://www.lacourt.org/laccligibility/ui/civil.aspx?casetype=ci>

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 Actions by visiting Stanley Mosk Courthouse, 111 North Hill Street, California 90012, during normal business hours, or by online by visiting the following website: <https://www.lacourt.org/casesummary/ui/>

You may also visit the Settlement Administrator’s website at **[redacted]** for key documents in the Actions.

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.**

EXHIBIT 4

Thank you for your Proposed Settlement Submission

Desde no-reply@formassembly.com <no-reply@formassembly.com>

Fecha Jue 7 Ago 2025 11:37

Para Karina Hernandez <khernandez@blackstonepc.com>

[External Email].

08/07/2025 11:37:19 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 08/07/2025 11:37:19 AM your Proposed Settlement was successfully processed for case number LWDA-CM-1052232-24

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: [http://labor.ca.gov/Private Attorneys General Act.htm](http://labor.ca.gov/Private_Attorneys_General_Act.htm)