

**SECOND AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA  
SETTLEMENT**

Subject to final approval by the Court, this Second Amended Joint Stipulation of Class Action and PAGA Settlement is between Carlos Martinez and Israel Lomeli (“Plaintiffs”), and Defendant The Stand, LLC (“Defendant”) pursuant to paragraph 11.L.7. of the Amended Class Action and PAGA Settlement entered into by the Parties on or around February 18, 2021 (“First Amended Settlement Agreement”).

The Parties agree to supplant the First Amended Settlement Agreement with this Second Amended Class Action and PAGA Settlement Agreement. Plaintiffs and Defendant collectively are referred to in this Agreement as the “Parties.”

**I. DEFINITIONS**

In addition to the other terms defined in this Agreement, the terms below have the following meaning:

- A. **Administration Costs**: The costs incurred by the Settlement Administrator to administer this Settlement, which shall not exceed Twelve Thousand Dollars (\$12,000). All Administration Costs shall be paid from the Gross Settlement Amount.
- B. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Second Amended Joint Stipulation of Class Action and PAGA Settlement.”
- C. **Attorney Costs Award**: The amount not to exceed Seventeen Thousand Dollars (\$17,000), finally approved by the Court and awarded to Class Counsel for reimbursement of actual litigation costs and expenses. The Attorney Costs Award will be paid from the Gross Settlement Amount and will not be opposed by Defendant. The Attorney Costs Award is subject to Court approval. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
- D. **Attorney Fee Award**: The amount, not to exceed thirty eight percent (38%) of the Gross Settlement Amount or Two Hundred Nine Thousand Dollars (\$209,000), finally approved by the Court and awarded to Class Counsel for attorneys’ fees. The Attorney Fee Award shall be paid from the Gross Settlement Amount and will not be opposed by Defendant. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
- E. **Case or Action**: *Carlos Martinez, Israel Lomeli v. The Stand, LLC*, Los Angeles County Superior Court Case No. 19STCV14979.

- F. **Class**: All current and former hourly-paid or non-exempt employees who worked for Defendant in California at any time during the Class Period.
- G. **Class Counsel**: Edwin Aiwazian, Esq., Arby Aiwazian, Esq., and Joanna Ghosh, Esq. of Lawyers *for* Justice, PC.
- H. **Class Member**: Each person who is a member of the Class as defined above.
- I. **Class Notice or Notice**: The Notice of Class Action and PAGA Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.
- J. **Class Period**: April 30, 2015 through the date of Preliminary Approval.
- K. **Class Representatives or Plaintiffs**: Carlos Martinez and Israel Lomeli.
- L. **Enhancement Payment**: The amounts the Court awards to Plaintiffs for their efforts in furthering and pursuing the Action, which will not exceed Ten Thousand Dollars (\$10,000) each (for a combined total of \$20,000). This payment shall be paid from the Gross Settlement Amount and will not be opposed by Defendant. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
- M. **Counsel for Defendant**: Caroline P. Donelan and Caitlin L. Sanders of the law firm Blank Rome LLP.
- N. **Defendant**: The Stand, LLC
- O. **Final Approval Date**: The Final Approval Date of this Settlement will be the date on which the Court grants final approval of the Settlement.
- P. **First Amended Complaint**: As part of the Settlement, Plaintiffs will file a First Amended Consolidated Class Action Complaint for Damages and Enforcement under the Private Autrey's General Act, California Labor Code § 2698, Et Seq. ("FAC") to add the PAGA claims alleged in the *Martinez* PAGA Action which were contemplated, negotiated, and settled at mediation. The Parties will file a joint stipulation requesting that the Court deem the FAC filed. After the FAC is filed it will be the "Operative Complaint."
- Q. **Funding of Settlement**: Defendant shall wire to the Settlement Administrator the Gross Settlement Amount in accordance with the following installment schedule which the Parties agree and acknowledge took into consideration Defendant's financial circumstances and resulting in the settlement of this matter:
- Half the Gross Settlement Amount (i.e., \$275,000) within sixty (60) calendar days of the Final Approval Date ("First Installment"); and

- Half the Gross Settlement Amount (i.e., \$275,000) within one year of the date the First Payment is made (“Second Installment”). Notwithstanding the foregoing, Defendant may elect on its own volition to pay the Second Installment earlier than one year from the date the First Installment is made.

**R. Disbursement of the Settlement:** The Settlement Administrator will pay the following amounts in accordance with the following installment schedule:

- Half of each Participating Class Member’s Individual Settlement Share to the Participating Class Member, Enhancement Payments to the Class Representatives, half of the Attorney Fee Award to Class Counsel within five (5) business days of receipt of the First Installment (collectively the “First Distribution”);
- The remaining half of each Participating Class Member’s Individual Settlement Share to the Participating Class Member, the remaining half of the Attorney Fee Award to Class Counsel, Attorney Fee Award to Class Counsel, LWDA Payment to the LWDA, Administration Costs to itself within five (5) business days of receipt of the Second Installment (collectively the “Second Distribution”).

**S. Final Judgment or Final Approval:** The final order entered by the Court finally approving this Agreement.

**T. Gross Settlement Amount or GSA:** The total value of the Settlement is a non-reversionary Five Hundred Fifty Thousand Dollars (\$550,000). This is the maximum amount Defendant can be required to pay under this Settlement Agreement in full satisfaction of the Released Claims by Plaintiffs and Participating Class Members, which includes without limitation: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorney Fee Award and Attorney Costs Award to Class Counsel, as approved by the Court; (3) the Enhancement Payments paid to the Class Representatives, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the LWDA Payment to the LWDA. The Parties agree that this methodology was agreed upon pursuant to a proposal issued by the mediator who presided over the mediation. Defendant will pay the employer’s share of payroll taxes on the wages portion of the Individual Settlement Shares separately and in addition to the Gross Settlement Amount.

**U. Individual Settlement Share(s):** The amount payable to each Participating Class Member under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement. Rather, Participating Class Members will receive an Individual Settlement Share automatically, without requiring the return of a claim form.

**V. LWDA:** California Labor and Workforce Development Agency.

**W. Martinez PAGA Action:** *Carlos Martinez v. The Stand, LLC*, Los Angeles County Superior Court Case No. 19CHC00850.

- X. Net Settlement Amount or NSA:** The total amount of money available for payout to Participating Class Members, which is the GSA less the amounts awarded by the Court for the Attorney Fee Award, Attorney Costs Award, Enhancement Payments, LWDA Payment, and Administration Costs. The NSA is the portion of the GSA that will be distributed to Class Members who do not request exclusion from the Settlement (i.e., Participating Class Members). The Individual Settlement Shares will be reduced for employee-side taxes on the portion allocated as wages.
- Y. PAGA:** The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
- Z. PAGA Payment:** The PAGA Payment is Twenty Thousand Dollars (\$20,000) of the Gross Settlement Amount allocated to satisfy the resolution of the PAGA penalties claim as alleged in the Operative Complaint. Seventy-five percent (75%) of the PAGA Payment (i.e., \$15,000) shall be paid to the LWDA (the “LWDA Payment”), and twenty-five percent (25%) of the PAGA Payment (i.e., \$5,000) shall be part of the Net Settlement Amount distributed to Participating Class Members.
- AA. Participating Class Members:** All Class Members who **do not** submit a valid and timely Request for Exclusion.
- BB. Parties:** Plaintiffs Carlos Martinez and Israel Lomeli as individuals and as Class Representatives, and The Stand, LLC.
- CC. Preliminary Approval or Preliminary Approval Order:** The Court’s order preliminarily approving the proposed Settlement.
- DD. Released Claims:** Class Members who do not opt out of the Settlement (i.e., Participating Class Members) will release all claims, rights, demands, liabilities, losses, obligations, guarantees, costs, expenses, attorneys’ fees, damages, liquidated damages, penalties, interest, actions and causes of action that arise from or relate to the same set of operative facts as those set forth in the Operative Complaint, whether sounding in law or equity, tort, contract, statute, or other applicable federal, state or local law or regulation, that include, but are not limited to: (i) claims for failure to pay overtime wages; (ii) claims for failure to provide compliant meal periods and premiums in lieu thereof; (iii) claims for failure to provide compliant rest periods and premiums in lieu thereof; (iv) claims for failure to pay minimum wages; (v) claims for failure to timely pay wages upon termination; (vi) claims for failure to timely pay wages during employment; (vii) claims for failure to provide complaint wage statements; (viii) claims for failure to keep requisite payroll records; (ix) claims for unreimbursed business expenses; (x) all claims asserted through California Business & Professions Code §§ 17200, *et seq.*; and (xi) all claims for penalties under PAGA, California Labor Code §§ 2698, *et seq.* based on the preceding claims. The Released Claims will be as to the Released Parties. The Released Claims only applies to claims which arose during the Class Period. The Released Claims shall not apply to claims for workers’ compensation

benefits, unemployment insurance benefits, or any other claim or right that as a matter of law that cannot be waived or released.

- EE. Released Parties:** Defendant and its past, present and/or future, direct and/or indirect, officers, directors, owners, members, employees, representatives, administrators, attorneys, agents, parent companies, subsidiaries and affiliated corporations and entities, consultants, insurers, reinsurers, shareholders, joint ventures, predecessors, successors, and/or assigns.
- FF. Response Deadline:** Forty-five (45) calendar days from the initial mailing of the Notice or, in the case of a re-mailed Notice, the later of forty-five (45) calendar days from the initial mailing or ten (10) calendar days from the remailing of the Notice.
- GG. Settlement Administrator:** The third party administrator agreed upon by Parties to administer this Settlement, subject to Court approval, is Phoenix Class Action Administration Solutions.
- HH. Superior Court:** Los Angeles County Superior Court.

## **II. RECITALS**

- A.** Plaintiffs Carlos Martinez and Israel Lomeli commenced this Case by filing the Class Action Complaint for Damages in Los Angeles County Superior Court on April 30, 2019.
- B.** Plaintiffs' investigation of the claims against Defendant included an analysis of any and all applicable defenses, including the exchange of a large volume of information, data and documents.
- C.** Plaintiffs also reviewed a substantial amount of data and documents relating to the size and scope of the Class that permitted an evaluation of the class-wide claims.
- D.** The Parties attended mediation with respected third party mediator Eve Wagner, Esq. on October 3, 2019. With the aid of the mediator, the Parties reached the Settlement contained herein.
- E. Benefits of Settlement to Class Members.** Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiffs and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel have conducted extensive settlement negotiations. Based on the foregoing, Plaintiffs and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.

- F. Defendant's Reasons for Settlement.** Defendant recognizes that the defense of the Case will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendant has been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiffs. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.
- G. Defendant's Denial of Wrongdoing.** Defendant generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Action is not appropriate for class treatment. Defendant asserts a number of defenses to the claims, and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the claims asserted by Plaintiffs against Defendant or as to whether a class or classes should be certified, other than for settlement purposes only. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.
- H. Plaintiffs' Claims.** Plaintiffs assert that Defendant's defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiffs, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action.
- I. Non-disclosure and Non-publication.** Plaintiffs and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class Members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel. Nothing in this paragraph shall prohibit Plaintiffs or Class Counsel from making the required submissions with the Court and/or the LWDA.

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### III. SETTLEMENT TERMS AND CONDITIONS

- A. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount that Defendant is obligated to pay under this Settlement Agreement is Five Hundred Fifty Thousand Dollars and Zero Cents (\$550,000.00). Notwithstanding the foregoing, Defendant will pay employer's share of payroll taxes on the wages portion of the Individual Settlement Shares separately and in addition to the Gross Settlement Amount.
- B. Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court must certify the Class as defined in this Agreement.
- C. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiffs and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with, the question of whether the Court should certify any claims in a non-settlement context in this Action or in any other lawsuit. The stipulation regarding class certification shall become null and void if approval to this Agreement is not given. If the Settlement does not become effective, Defendant reserves the right to contest any issues relating to class certification and liability.
- D. Appointment of Class Representatives.** Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiffs Carlos Martinez and Israel Lomeli shall be appointed as representatives for the Class.
- E. Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.
- F. Individual Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Settlement Share from the Net Settlement Amount to each Participating Class Member.
- 1. Individual Settlement Share Calculation.** Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to the number of weeks he or she worked for Defendant during the Class Period based on the Database provided by Defendant ("Workweeks"), divided by the total number of Workweeks allocated all Participating Class Members, which is then multiplied by the Net Settlement Amount. One day worked in a given week for Defendant will be credited as a week for purposes of the Workweek calculation. Workweeks will be calculated by the Settlement Administrator by reviewing the

relevant hire and termination dates (if applicable) and calculating the number of workweeks occurring within the Class Period.

2. **Tax Withholdings.** Each putative class member's gross Individual Settlement Share will be apportioned as follows: twenty percent (20%) as wages and eighty percent (80%) as interest and penalties. The amounts allocated as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. The amounts allocated as interest and penalties shall be reported by IRS 1099 forms. The employee's share of payroll taxes with respect to the wages portion shall be paid from each Individual Settlement Share. The employer's share of payroll taxes with respect to the wages portion shall be paid by Defendant separately and in addition to the Gross Settlement Amount.
3. **Workweek Disputes.** The Notice will state the number of Workweeks allocated to each Class Member and provide that Class Members may dispute the number of Workweeks allocated to them if they believe they are incorrect by submitting a written statement disputing the number of Workweeks listed in their Notice ("Workweek Dispute") to the Settlement Administrator. A complete and timely Workweek Dispute must: (a) state the Class Member's full name, address, and telephone number; (b) state the case name and number of the Case; (c) describe, in clear and concise terms, the number of Workweeks the Class Member contends is correct; (d) attach any documentation the Class Member has that supports his or her contention; and (e) be mailed or faxed to the Settlement Administrator, postmarked or fax-stamped on or before the Response Deadline.

**G. Constituents of GSA Disbursement.** Subject to the terms and conditions of this Agreement, the Settlement Administrator shall disburse the GSA in accordance with the timing and distribution schedule set forth in Section I.R. and in accordance with the following:

1. **To the Class Representatives:** In addition to the Individual Settlement Shares the Class Representatives are entitled to receive as Class Members, and subject to the Court's approval, the Class Representatives, Carlos Martinez and Israel Lomeli, will each receive an Enhancement Payment. The Settlement Administrator will pay the Enhancement Payments from the Gross Settlement Amount. Payroll tax withholdings and deductions will not be taken from the Enhancement Payment. An IRS Form 1099 will be issued to the Plaintiffs with respect to their Enhancement Payments.
2. **To Class Counsel.** Class Counsel will apply to the Court for, and Defendant agrees not to oppose, the Attorney Fee Award and the Attorney Costs Award. The Settlement Administrator will pay the amounts approved by the Court for the Attorney Fee Award and Attorney Costs Award out of the Gross Settlement Fund. Settlement Administrator may purchase an annuity to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Payroll tax

withholding and deductions will not be taken from the Attorney Fee Award or the Attorney Costs Award. IRS Forms 1099 will be issued to Class Counsel with respect to the Attorney Fee Award. In the event the Court does not approve the entirety of the application for the Attorney Fee Award and/or Attorney Costs Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorney Fee Award and/or Attorney Costs Award, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

- 3. To the Responsible Tax Authorities.** The Settlement Administrator will pay the amount of the employees' portion of normal payroll withholding taxes due on the wages portion from each Participating Class Member's Individual Settlement Share. The Settlement Administrator shall also remit from Defendant separately and in addition to the Gross Settlement Amount and pay the employer's portion of payroll taxes (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) to the appropriate local, state, and federal taxing authorities. The Settlement Administrator will calculate the amount of the employees' and Defendant's portion of payroll withholding taxes, report, remit, and forward those amounts to the appropriate taxing authorities.
- 4. To the Settlement Administrator.** The Settlement Administrator will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed Twelve Thousand Dollars (\$12,000). This will be paid out of the Gross Settlement Amount. If the actual amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the NSA and be available for distribution to Participating Class Members.
- 5. To the LWDA.** The Settlement Administrator will pay the LWDA Payment to the LWDA. The remaining twenty-five percent (25%) of the PAGA Payment will be part of the Net Settlement Amount and distributed to Participating Class Members.
- 6. To Class Members.** The Settlement Administrator will pay each Participating Class Member his or her Individual Settlement Share in accordance with the calculations set forth above. All payments to Participating Class Members shall be made from the Gross Settlement Amount.

**H. Appointment of Settlement Administrator.** Solely for the purposes of this Settlement, the Parties stipulate and agree that Phoenix Class Action Administration Solutions shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, translating to Spanish, printing, and mailing the Notice to the Class Members; keeping track of any Objections, Disputes, or Requests for Exclusion from Class Members; performing skip traces and remailing Notices and Individual Settlement Shares to Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's Individual Settlement Share; providing weekly

status reports to Defendant's Counsel and Class Counsel, which is to include updates on any Objections or Requests for Exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing Individual Settlement Shares to Participating Class Members; calculating and mailing the LWDA Payment to the LWDA; distributing the Attorney Fee Award and Attorney Costs Award to Class Counsel; printing and providing Class Members and Plaintiffs with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the Settlement; remitting funds associated with uncashed checks to the State of California, Unclaimed Property Fund in the names and amounts of the Participating Class Members and their uncashed checks, in the amounts directed per this Settlement, including the administration of related tax reimbursements; and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in Phoenix Class Action Administration Solutions or otherwise have a relationship with Phoenix Class Action Administration Solutions that could create a conflict of interest. The Settlement Administrator will host relevant documents, such as this Settlement Agreement, the motion for preliminary approval or final approval, Final Judgement, as well as the time and location of the Final Approval Hearing on its website.

## **I. Procedure for Approving Settlement.**

### **1. Motion for Preliminary Approval and Conditional Certification.**

- a.** Plaintiffs will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval hearing, and approving the Notice. Defendant will provide a declaration supported with evidence to be filed with the Court which will explain Defendant's financial situation and the necessity of the payment plan contained in Section I.Q.
- b.** Should the Court decline to conditionally certify the Class or to Preliminarily Approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorney Fee Award, Attorney Costs Award, Administration Costs, and Enhancement Payments shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement. Any order or proceeding relating to an application for the Attorney Fee Award, Attorney Costs Award, Administration Costs, and Enhancement Payments shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiffs' or Class Counsel's ability to appeal any decision by the Court to award

less than the requested Attorney Fee Award, Attorney Costs Award, Administration Costs, and Enhancement Payments.

- 2. Notice to Class Members.** After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Class Notice in accordance with the following procedure:
  - a.** Within ten (10) business days after entry of the Preliminary Approval Order, Defendant shall deliver to the Settlement Administrator an electronic database, which will list for each Class Member: (1) first and last name; (2) last known mailing address; (3) last known telephone number; (4) Social Security number; (5) hire and termination dates; and (6) the total number of Workweeks allocated to him or her and any information necessary to for the Settlement Administrator to confirm Defendant's Workweek calculations ("Database"). If any or all of this information is unavailable to Defendant, Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Database shall be based on Defendant's payroll, personnel, and other business records. The Settlement Administrator shall maintain the Database and all data contained within the Database as private and confidential.
  - b.** Within fifteen (15) business days after entry of the Preliminary Approval Order, the Settlement Administrator will mail the Notice to all Class Members via first-class U.S. Mail, using the most updated mailing addresses for each Class Member. Prior to the initial mailing of the Notice, the Settlement Administrator will update the addresses of all Class Members against the post office's National Change of Address database.
  - c.** If a Notice is returned as undeliverable, within forty-five (45) calendar days from the initial mailing of the Notice, with a forwarding address, the Settlement Administrator will promptly re-mail the Notice to the forwarding address. If a Notice is returned as undeliverable, within forty-five (45) calendar days from the initial mailing of the Notice, without a forwarding address, the Settlement Administrator will use the Class Member's Social Security number to conduct a skip-trace search to find a more current address for the Class Member and re-mail the Notice to the Class Member. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered Notices; performing skip-trace searches for all Notices returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found or obtained. If the Notice is re-mailed, the Settlement Administrator will note for its own records the

date and address of each re-mailing and note for the Class Member his or her applicable Response Deadline. After performing the procedures contained herein the Settlement Administrator will have no further responsibilities or obligations to obtain an updated mailing address.

- d. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of the number of Notices mailed, the number of Notices returned as undeliverable, the number of Notices re-mailed, and the number of Requests for Exclusion and Objections, if any, received.
- e. No later than fourteen (14) calendar days after the Response Deadline, the Settlement Administrator will provide the Parties with a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel no later than ten (10) calendar days before the Final Approval hearing. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

**3. Objections to Settlement.** The Class Notice will provide that the Class Members who wish to object to the Settlement must do so by submitting a written statement objecting to the Settlement ("Objection") to the Settlement Administrator.

- a. **Format.** A complete and timely Objection must: (a) state the objector's full name, address, and telephone number; (b) state the case name and number of the Case; (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing; (f) if the objector is represented by counsel, list such counsel's name, number, and mailing address; and (g) be mailed or faxed to the Settlement Administrator, postmarked or fax-stamped on or before the Response Deadline.

**4. Request for Exclusion from the Settlement.** The Notice will provide that Class Members who wish to exclude themselves from the Settlement must submit a written request to be excluded from the Settlement ("Request for Exclusion") to the Settlement Administrator.

- a. **Format.** A complete and timely Request for Exclusion must: (a) state the Class Member's full name, address, and telephone number; (b) state the case name and number of the Case; (c) clearly state that the Class Member wishes to be excluded from the Settlement; and (d) be mailed or faxed to

the Settlement Administrator, postmarked or fax-stamped on or before the Response Deadline.

- b. Before the Court enters Final Approval of this Settlement, if five percent (5%) or more of the Class submit a timely and valid Request for Exclusion, then Defendant shall have the sole and exclusive right, but not the obligation to withdraw from and void this Settlement and the Parties' previously-executed memorandum of understanding, and the Parties will revert to their positions prior to provisional class certification under the terms of this Settlement. If Defendant exercises this option, it must provide written notice to Class Counsel and the Settlement Administrator within seven (7) calendar days of learning of the final number of timely and valid Requests for Exclusion. If Defendant rescinds the Settlement, it will be solely responsible for any Administration Costs incurred by the Settlement Administrator to date.

**5. Report.** No later than five (5) business days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their Objections, the number of Class Members who returned complete Requests for Exclusion.

**6. No Solicitation of Objection or Requests for Exclusion.** Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Judgment.

**7. Motion for Final Approval.**

- a. Class Counsel will file an unopposed motion and memorandum in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) Attorney Fee Award; (2) Attorney Costs Award; (3) Administrative Costs; (4) Enhancement Payments; and (5) LWDA Payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment) releasing the Released Claims of the Participating Class Members.
- b. If the Court does not grant Final Approval of the Settlement, or if the Court's Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement. Further, should this occur, the Parties agree they

shall be equally responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Enhancement Payment, Attorney Fee Award, Attorney Costs Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.

- c. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving of the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law. The Settlement Administrator will post the Final Judgment approving the Settlement on a website maintained by the Settlement Administrator for a period not less than sixty (60) calendar days after the Final Judgment is entered.

**8. Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Settlement Amount, an alteration in the calculation of the Net Settlement Amount, and any change to the calculation of the Individual Settlement Share.

**9. Disbursement of Individual Settlement Shares and Payments.** Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Final Approval Order and Judgment. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel.

- a. **Funding the Settlement:** Defendant shall wire to the Settlement Administrator the Gross Settlement Amount in accordance with the installment schedule set forth in Section I.Q.
- b. **Disbursement:** The Settlement Administrator shall disburse the Gross Settlement Amount in accordance with the disbursement schedule set forth in Section I.R.
- c. **QSF:** The Parties agree that the Gross Settlement Amount is intended to be held in a "Qualified Settlement Fund" under Section 468B of the Code

and Treasury Regulations § 1.4168B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

**10. Uncashed Checks.** Participating Class Members must cash or deposit their Settlement payment checks from the First Distribution within one hundred and eighty (180) calendar days after the checks are mailed to them. If any checks remain uncashed or not deposited by the expiration of the 180-day period the checks will be cancelled and the funds associated with the Settlement payment checks from the First Distribution will be combined with such Participating Class Member's Settlement payment check from the Second Distribution. If a check is returned as undeliverable the Settlement Administrator will perform a skip-trace search in order to obtain an updated mailing address and re-mail the Settlement payment check. The Settlement payment check from the Second Distribution will be valid for one hundred eighty (180) calendar days from issuance. If a Participating Class Member does not cash, deposit, or otherwise negotiate their Settlement payment check within the 180-day period, the check will be cancelled, and the funds associated with the cancelled check shall be transmitted by the Settlement Administrator, to the State of California, Unclaimed Property Fund, in the name and amount of the Participating Class Member and his or her check.

**11. Final Report by Settlement Administrator.** Within ten (10) business days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.

**12. Defendant's Legal Fees.** Defendant is responsible for paying for all of Defendant's own legal fees, costs, and expenses incurred in this Action outside of the Gross Settlement Fund.

**J. Release of Claims.** As of the date the Court grants final approval of this Settlement and Defendant fully funds the Gross Settlement Amount, Participating Class Members will release the Released Parties from the Released Claims.

**K. Plaintiffs' Release of Claims and General Release.** As of the Final Approval Date, Plaintiffs shall for themselves and their respective spouses, heirs, successors and assigns, forever release the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, from the beginning of time through the date of their signature on this Agreement, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including but not limited to all claims arising out of, based upon, or relating to her employment with Defendant or the remuneration for, or termination of, such employment.

Plaintiffs' Release of Claims also includes a waiver of California Civil Code section 1542, which provides as follows:

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

This release excludes any release of any claims not permitted to be released by law.

#### **L. Miscellaneous Terms**

- 1. No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action, or that but for the Settlement, a Class should be certified in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and Plaintiffs' and Defendant's willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).
- 2. No Effect on Employee Benefits.** The Enhancement Payments and/or Individual Settlement Shares paid to Plaintiffs and Participating Class Members shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiffs or the Participating Class Members. The Parties agree that any Enhancement Payments and/or Individual Settlement Share paid to Plaintiffs or the Participating Class Members under the terms of this Agreement do not represent any modification of Plaintiffs' or Participating Class Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any Enhancement Payment shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.
- 3. Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have

been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.

- 4. Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendant's Counsel warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.
- 5. Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
- 6. Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Superior Court.
- 7. Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest, and subject to any necessary Court approval.
- 8. Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- 9. No Prior Assignment.** Plaintiffs hereby represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- 10. Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

**11. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.

**12. No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes.

**13. Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.

**14. Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Superior Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

**15. Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

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**16. Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange

between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

**EXECUTION BY PARTIES AND COUNSEL**

The Parties and their counsel execute this Agreement.

March 23, 2021

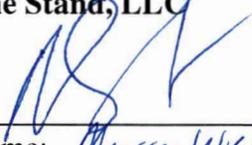
Dated: \_\_\_\_\_, 2021

**Carlos Martinez**  
  
2021-03-24 02:21:53 UTC - 78.234.234.41  
AssureSign® 066489f32c8-48fa-9d28-acf401555fa4

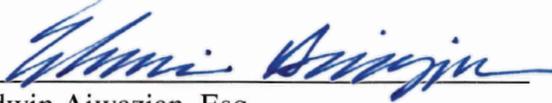
Dated: \_\_\_\_\_, 2021

**Israel Lomeli**

Dated: 3-22, 2021

**The Stand, LLC**  
  
Name: Murray Wisnograd  
Title: CEO

Dated: 3/24, 2021

**LAWYERS FOR JUSTICE, PC**  
  
Edwin Aiwazian, Esq.  
Attorneys for Plaintiffs Carlos Martinez and Israel Lomeli,  
on behalf of themselves and all others similarly situated

Dated: March 23, 2021

**BLANK ROME LLP**  
  
Caroline P. Donelan, Esq.  
Caitlin L. Sanders, Esq.  
Attorneys for Defendant The Stand, LLC

between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

**EXECUTION BY PARTIES AND COUNSEL**

The Parties and their counsel execute this Agreement.

Dated: \_\_\_\_\_, 2021

**Carlos Martinez**

March 24, 2021

Dated: \_\_\_\_\_, 2021

**Israel Lomeli**

Electronically Signed  
  
2021-03-24 15:42:49 UTC - 174.195.137.49  
AssureSign® adbb01ff-63c3-45ff-b328-acd401549940

Dated: 3-22, 2021

**The Stand, LLC**

  
Name: Murray Wisnograd  
Title: CEO

Dated: \_\_\_\_\_, 2021

**LAWYERS FOR JUSTICE, PC**

\_\_\_\_\_  
Edwin Aiwasian, Esq.  
Attorneys for Plaintiffs Carlos Martinez and Israel Lomeli,  
on behalf of themselves and all others similarly situated

Dated: March 23, 2021

**BLANK ROME LLP**

  
\_\_\_\_\_  
Caroline P. Donelan, Esq.  
Caitlin L. Sanders, Esq.  
Attorneys for Defendant The Stand, LLC

# **EXHIBIT A**

## **NOTICE OF CLASS ACTION AND PAGA SETTLEMENT**

*Carlos Martinez, et al. v. The Stand, LLC*  
Superior Court of California, County of Los Angeles, Case No. 19STCV14979

You have received this Notice because records of The Stand, LLC (“Defendant”) indicate that you are or were employed by Defendant in the State of California during the time period from April 30, 2015 through [Preliminary Approval Date] as an hourly-paid or non-exempt employee.

You do not need to take any action to receive payment under the settlement reached in the Action and your legal rights may be affected.

This Notice is designed to advise you of your rights and options, such as how you can object to or request to be excluded from the Class Settlement, if you so choose.

**PLEASE READ THIS NOTICE CAREFULLY.** This notice relates to a proposed settlement of a class action lawsuit. It contains important information about your right to object to or not be included in the Class Settlement.

By order of the Superior Court of California for the County of Los Angeles (the “Court” or “Los Angeles County Superior Court”), in the case entitled *Carlos Martinez, et al. v. The Stand, LLC*, Los Angeles County Superior Court, Case No. 19STCV14979 (“Action”), preliminary approval of a proposed class action settlement was granted on [Preliminary Approval Date]. A hearing shall be held on [hearing date] (“Final Approval Hearing”) to determine whether final approval of the settlement should be granted.

**YOU ARE NOTIFIED THAT:** A proposed class action settlement has been reached between Plaintiffs Carlos Martinez and Israel Lomeli (collectively “Plaintiffs”) and Defendant (Plaintiffs and Defendant are collectively referred to as the “Parties”) in the above-entitled action, which may affect your legal rights.

### **I. DEFINITIONS**

“Class” means all current and former hourly-paid or non-exempt employees who worked for Defendant in the State of California during the Class Period.

“Class Member” means a member of the Class.

“Class Period” means the period from April 30, 2015 through [Preliminary Approval Date].

### **II. BACKGROUND OF THE ACTION**

On April 30, 2019, Plaintiffs commenced the Action by filing the Class Action Complaint for Damages. On January 16, 2020, Plaintiff filed the First Amended Consolidated Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Complaint”).

Plaintiffs allege that Defendant failed to properly pay minimum and overtime wages; failed to provide compliant meal breaks and associated premiums; failed to provide compliant rest breaks and associated premiums; failed to timely pay wages during employment and at termination and associated penalties including waiting time penalties; failed to provide accurate wage statements; failed to maintain requisite payroll records; failed to reimburse business expenses; and thereby, engaged in unfair business practices in violation of the California Business and Professions Code and conduct giving rise to penalties under PAGA. Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, business expenses, restitution, penalties, interest, attorneys’ fees and costs.

Defendant denies all of the allegations in the Action or that it violated any law and contends that at all times it has complied with the law.

The Parties participated in a mediation with a respected class action mediator, and as a result of the mediation, the Parties

reached a settlement. The Parties have since entered into the Second Amended Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”), which was preliminarily approved by the Court on **[Preliminary Approval Date]**. The Court has appointed Phoenix Class Action Administration Solutions as the administrator of the settlement (“Settlement Administrator”). The Court has also preliminarily appointed Plaintiffs Carlos Martinez and Israel Lomeli as representatives of the Class (“Class Representatives”) and has preliminarily appointed the following Plaintiffs’ counsel as counsel for the Class (“Class Counsel”):

**Lawyers for Justice, PC**  
Edwin Aiwazian, Esq.  
Arby Aiwazian, Esq.  
Joanna Ghosh, Esq.  
410 West Arden Avenue, Suite 203  
Glendale, California 91203

If you are a Class Member, you need not take any action to receive payment under the settlement, but you have the opportunity to request exclusion from or object to the Settlement if you so choose, as explained more fully in Section IV below.

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

### **III. SUMMARY OF THE PROPOSED SETTLEMENT**

#### **A. Settlement Formula**

The Gross Settlement Amount is Five Hundred Fifty Thousand Dollars (\$550,000). The portion of the Gross Settlement Amount that is available for payment to Class Members who do not submit timely and valid Request for Exclusions seeking exclusion from the Settlement (“Participating 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) Attorney Fee Award consisting of attorneys’ fees (not to exceed 38% of the Gross Settlement Amount, i.e., \$209,000 out of \$550,000) to Class Counsel; (2) Attorney Costs Award for reimbursement of actual litigation costs and expenses in an amount not to exceed Seventeen Thousand (\$17,000) to Class Counsel; (3) Enhancement Payments in the amount of Ten Thousand Dollars (\$10,000) each to Plaintiffs (for a combined total of \$20,000); (4) Administration Costs (which are currently estimated not to exceed \$12,000) to the Settlement Administrator; and (5) the amount of Twenty Thousand Dollars (\$20,000) allocated to penalties pursuant to PAGA (“PAGA Payment”) of which seventy-five percent (75%) (i.e., \$15,000) will be paid to the Labor and Workforce Development Agency (“LWDA Payment”).

Each Participating Class Member will be entitled to receive payment under the Settlement of his or her share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks he or she worked for Defendant during the Class Period (“Workweeks”). Each Participating Class Member’s individual number of Workweeks will be divided by the total number of Workweeks of all Participating Class Members, the result will be multiplied by the Net Settlement Amount to yield each Participating Class Member’s Individual Settlement Share.

Each Individual Settlement Share is considered to be twenty percent (20%) as wages (to be reported on an IRS Form W2) and eighty percent (80%) as interest and penalties (to be reported on an IRS Form 1099, if applicable). Participating Class Members will be issued payment of their Individual Settlement Share after reduction for the applicable employee’s share of payroll taxes with respect to the wages portion of the Individual Settlement Share. The employer’s share of payroll taxes with respect to the wages portion of each Individual Settlement Share will be paid by Defendant separately and in addition to the Gross Settlement Amount.

If the Court grants final approval of the settlement, payments will be mailed to the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must make sure to provide your correct mailing address to the Settlement Administrator in**

a timely fashion, to ensure receipt of payment that you may be entitled to.

**B. Your Workweeks Based on Defendant’s Records**

According to Defendant’s records, you are credited as having worked [ ] Workweeks.

If you wish to dispute the Workweeks credited to you, you must mail a written statement to the Settlement Administrator (“Workweek Dispute”) at the following address:

[Settlement Administrator]  
[address]

A Workweek Dispute must: (a) state the Class Member’s full name, address, and telephone number; (b) state the case name and number of the Action (in this case, *Martinez, et al. v. The Stand, LLC, Los Angeles County Case No. 19STCV14979*); (c) describe, in clear and concise terms, the number of Workweeks the Class Member contends is correct; (d) attach any documentation the Class Member has that supports his or her contention; and (e) be postmarked or fax-stamped on or before the [Response Deadline].

**C. Your Estimated Individual Settlement Share**

As explained above, your estimated Individual Settlement Share is based on the number of Workweeks credited to you.

**Under the terms of the Settlement:**

- Your gross Individual Settlement Share is estimated to be \$ [ ] .

The settlement approval process may take six months or more. Your Individual Settlement Share reflected in this Notice is only an estimate. Your actual payment may be higher or lower than estimated. Your Individual Settlement Share will be mailed to you via two separate checks over the period of one year. **You must make sure your correct mailing address is on file with the Settlement Administrator to ensure that you receive any payment that you may be entitled to.**

**D. Released Claims**

“Released Claims” means all claims, rights, demands, liabilities, losses, obligations, guarantees, costs, expenses, attorneys’ fees, damages, liquidated damages, penalties, interest, actions and causes of action that arise from or relate to the same set of operative facts as those set forth in the Complaint, whether sounding in law or equity, tort, contract, statute, or other applicable federal, state or local law or regulation, that include, but are not limited to: (i) claims for failure to pay overtime wages; (ii) claims for failure to provide compliant meal periods and premiums in lieu thereof; (iii) claims for failure to provide compliant rest periods and premiums in lieu thereof; (iv) claims for failure to pay minimum wages; (v) claims for failure to timely pay wages upon termination; (vi) claims for failure to timely pay wages during employment; (vii) claims for failure to provide complaint wage statements; (viii) claims for failure to keep requisite payroll records; (ix) claims for unreimbursed business expenses; (x) all claims asserted through California Business & Professions Code §§ 17200, *et seq.*; and (xi) all claims for penalties under PAGA, California Labor Code §§ 2698, *et seq.* based on the preceding claims. The Released Claims will be as to the Released Parties. The Released Claims only applies to claims which arose during the Class Period. The Released Claims shall not apply to claims for workers’ compensation benefits, unemployment insurance benefits, or any other claim or right that as a matter of law that cannot be waived or released.

“Released Parties” means Defendant and its past, present and/or future, direct and/or indirect, officers, directors, owners, members, employees, representatives, administrators, attorneys, agents, parent companies, subsidiaries and affiliated corporations and entities, consultants, insurers, reinsurers, shareholders, joint ventures, predecessors, successors, and/or assigns.

Upon the date the Court grants final approval of the Settlement Agreement and Defendant fully funds the Gross Settlement Amount, Plaintiffs and Participating Class Members will be deemed to have released the Released Parties from the Released Claims.

**E. Attorney Fee Award and Attorney Costs Award**

Class Counsel will seek an Attorney Fee Award consisting of attorneys' fees in an amount not to exceed Two Hundred and Nine Thousand Dollars (\$209,000) and an Attorney Costs Award for reimbursement of actual litigation costs and expenses in an amount not to exceed Seventeen Thousand Dollars (\$17,000), subject to approval by the Court. The Attorneys' Fee Award and Attorney Costs Award awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and Class Members 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 Payments**

In consideration for their service in connection with the Action, Plaintiffs will seek Enhancement Payments in the amount of Ten Thousand Dollars (\$10,000) each (for a total of \$20,000), to be paid from the Gross Settlement Amount subject to approval by the Court. If awarded, the Enhancement Payments shall be paid to Plaintiffs in addition to their Individual Settlement Share under the Settlement.

**G. PAGA Payment**

As explained above, Twenty Thousand Dollars (\$20,000) of the Gross Settlement Amount is allocated for penalties pursuant to PAGA (i.e., PAGA Payment). Pursuant to California Labor Code section 2699(i), and subject to approval by the Court under California Labor Code section 2699(1), seventy-five percent (75%) of the PAGA Payment (i.e., \$15,000) will be paid to the Labor and Workforce Development Agency and the remaining twenty-five percent (25%) of the PAGA Payment (i.e., \$5,000) will be distributed on a *pro rata* basis to Participating Class Members as part of the Net Settlement Amount.

**H. Settlement Administration**

Payment to the Settlement Administrator, Phoenix Class Action Administration Solutions, is estimated not to exceed Twelve Thousand Dollars (\$12,000) for the costs of the notice and settlement administration process, including and not limited to, translating this Notice to Spanish, the expense of distributing this Notice, processing Requests for Exclusion, Objections, and Workweek Disputes, calculating Individual Settlement Shares, calculating and remitting applicable taxes, distributing payments and tax forms under the settlement, hosting relevant documents, such as the Settlement Agreement, the motion for preliminary approval or final approval, Final Judgment, as well as the time and location of the Final Approval Hearing on its website. The Administration Costs will be paid from the Gross Settlement Amount, subject to approval by the Court.

**IV. WHAT ARE YOUR RIGHTS AND OPTIONS UNDER THE SETTLEMENT?**

**A. Participate in the Settlement**

**If you want to receive money from the settlement, you do not have to do anything.** You will automatically be issued your Individual Settlement Share. If you wish to exclude yourself from the Settlement, you must submit a written request to the Settlement Administrator ("Request for Exclusion"). Unless you elect to exclude yourself from the Settlement by submitting a timely and valid Request for Exclusion, you will be bound by the terms of the settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the claims described in Section III.D above. You will not be separately responsible for the payment of attorney's fees or reimbursement of litigation expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and litigation expenses.

**B. Request Exclusion from the Settlement**

If you do not wish to participate in the Settlement described in this Notice, you may seek exclusion from the Settlement by submitting a written request to the Settlement Administrator ("Request for Exclusion"). **A timely and complete Request for Exclusion must** (a) state the Class Member's full name, address, and telephone number; (b) state the case name and number of the Action (in this case, *Martinez, et al. v. The Stand, LLC, Los Angeles County Case No.*

19STCV14979); (c) clearly state that the Class Member wishes to be excluded from the Settlement; and (d) be postmarked or fax-stamped on or before the [Response Deadline].

A Class Member who does not request exclusion from the Settlement by submitting a timely and valid Request for Exclusion will be a Participating Class Member and will be bound by the Settlement if the Court grants final approval of the Settlement.

### **C. Object to the Settlement**

You can object to the terms of the Settlement as long as you have not submitted a timely and valid Request for Exclusion.

**If you want to object to the Settlement**, you must submit a written objection to the Settlement Administrator (“Objection”). A complete and timely Notice of Objection must: (a) state the objector’s full name, address, and telephone number; (b) state the case name and number of the Action (in this case, *Martinez, et al. v. The Stand, LLC, Los Angeles County Case No. 19STCV14979*); (c) state the words “Notice of Objection” or “Formal Objection”; (d) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (e) list identifying witness(es) the objector may call to testify at the Final Approval Hearing; (f) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval Hearing; (g) if the objector is represented by counsel, list such counsel’s name, telephone number, and mailing address; and (h) be postmarked or fax-stamped on or before the [Response Deadline]. If you submit an Objection, you can hire an attorney at your own expense to represent you in your objection, however, this is not necessary as the Court will hear your objection at the Final Approval Hearing whether or not you have submitted a written Objection or hired an attorney. **Even if you submit an Objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth below, if the Settlement is finally approved by the Court.**

### **V. FINAL APPROVAL HEARING**

The Court will hold a Final Approval Hearing in Los Angeles County Superior Court, in Department SSC14 of the Spring Street Courthouse 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 rule on the request for Attorneys’ Fee Award, Attorney Costs Award, Enhancement Payments, and Administration Costs.

If you wish to appear at the Final Approval Hearing, you may do so remotely by making a reservation using the LA Court Connect system. Instructions can be found here: <https://www.lacourt.org/lacc/>

### **VI. ADDITIONAL INFORMATION**

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

**Any updates regarding the date and time of the Final Approval Hearing, relevant documents such as the Settlement Agreement, motion for preliminary approval, or final approval, Final Judgment, as well as the time and location of the Final Approval Hearing will be available for review on the Settlement Administrators website at:**

**[INSERT]**

You may also view the Settlement Agreement and documents filed in the Action by visiting the Office of the Clerk of the Los Angeles Superior Court at the Stanley Mosk Courthouse located at 111 North Hill Street, Los Angeles, California 90012 (“Office of the Clerk”). In light of COVID-19, you must call the Office of the Clerk at (213) 830-0800, between 8:30 a.m. and 4:30 p.m. Monday through Friday, to make a reservation to view the records.

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

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

**YOU MAY ALSO CONTACT CLASS COUNSEL IF YOU HAVE ANY QUESTIONS.**