

STIPULATION OF SETTLEMENT OF CLASS ACTION AND RELEASE OF CLAIMS

This Stipulation of Settlement of Class Action and Release of Claims (“Settlement Agreement” or “Settlement”) is reached by and between Plaintiff Brittany Taborn (“Employee” or “Plaintiff”) and Rinse, Inc. (“Defendant” or “Rinse”) on Defendant’s own behalf and on behalf of their past and present parents, subsidiaries and affiliates, and their respective past and present predecessors, successors, assigns, representatives, officers, directors, agents, investors, and employees. The term “Defendant” when used in this Agreement, includes Rinse, Inc., its past and present parents, subsidiaries or affiliates and its respective past or present predecessors, successors, assigns, representatives, officers, directors, agents, legal representatives, and employees. Plaintiff and the Class are represented by Bill Marder of Polaris Law Group and Dennis S. Hyun of Hyun Legal, APC (“Class Counsel”). Defendant is represented by Thomas McInerney and Lisa M. Bowman of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

On June 26, 2019, Plaintiff Brittany Taborn filed a five- count putative class action in San Joaquin County Superior Court (Case No. STK-CV-UOE-2019-8106.) alleging: (1) failure to provide compliant wage statements; (2) failure to provide rest periods; (3) failure to pay all wages owed; (4) UCL violations; and (5) violations of California’s Private Attorneys General Act (PAGA). (“Lawsuit”).

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle Plaintiff’s claims both individually and on behalf of the Class. Accordingly, Plaintiff and Defendant agree as follows:

1. Conditional Class. For purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to conditional certification of the following Class and Subclasses (members of which are also referred to herein as “Class Members”):

All current and former non-exempt employees who worked for Defendant in the State of California and were paid on a flat-rate or piece-rate basis at any time from June 26, 2015, through and the date the Court enters an order granting preliminary approval of the Settlement (“Preliminary Approval Date”) (the “Class Period”).

All current and former California non-exempt employees who worked any shifts 3.5 hours or longer for Defendant in the State of California during the Class Period.

The Parties agree that certification for the purpose of settlement is not an admission that class certification is proper under Section 382 of the California Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement, as described in Section 13, below.

As used in this Settlement Agreement, "Settlement Class Members" or "Settlement Class" means all Class Members after excluding any person who submits a timely and valid request for exclusion as provided in this Settlement Agreement.

2. **"Effective Date"** means: (a) the date when the Final Approval Order is signed, if there are no objectors, or (b) in the event there are objectors, sixty (60) days after service of notice of entry of the Final Approval Order and Judgment on the Parties and all objectors to the Settlement without any appeals or request for review being taken, or (c) orders affirming said Final Approval Order and Judgment or denying review after exhaustion of all appellate remedies, if appeals or requests for review have been taken.

3. **Release.** As of the Effective Date, Plaintiff and every member of the Settlement Class will release and discharge Defendant, including its subsidiaries, predecessors, successors, affiliates, past and present parents, subsidiaries and affiliates, and any of their respective past or present assigns, officers, directors, members, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, attorneys, consultants, and each of their respective successors and predecessors in interest (collectively the "Released Parties") as follows:

- A. Settlement Class Members will release all claims for: (1) failure to provide compliant wage statements; (2) failure to provide rest periods; (3) failure to pay all wages owed; (4) UCL violations; and (5) violations of California's Private Attorneys General Act (PAGA) that have been brought, including any other claims that were or could have been brought based on the factual allegations that are pled in the operative Complaint, during the Class Period (the "Released Claims").
- B. In light of the Class Representative Enhancement Payment, Plaintiff has agreed to release, in addition to the Released Claims described above, all claims, whether known or unknown, suspected or unsuspected, under federal, state or local law, which exist or may exist against the Released Parties at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant, including her separation of employment from Defendant during the Class Period, if any. Plaintiff understands that this release includes unknown claims and that she is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

"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."

The Parties further acknowledge, understand and agree that this representation and commitment is essential to the Settlement and that this Settlement Agreement would not have been entered into were it not for this representation and commitment.

- C. In the event that Rinse representatives sell the company, Rinse agrees that any sales agreement will include a provision providing that, in addition to Defendant, the successor entity is bound by this Agreement and any ensuing judgment in this Lawsuit, including the payment terms listed in Section 4, below, unless an alternative agreement is made between the Parties pursuant to the amendment procedures set forth in Section 15, below.

4. Gross Settlement Amount. As consideration, Defendant agrees to pay a non-reversionary maximum amount ("Gross Settlement Amount") of \$600,000.00 in full and complete settlement of this matter, as follows:

- A. The Parties have agreed to engage Phoenix Settlement Administrators as the "Settlement Administrator" to administer the Settlement.
- B. Defendant shall fund the Gross Settlement Amount pursuant to the Settlement Administrator's wire transfer instructions according to the following schedule:
- (1) Defendant shall wire the first installment payment of \$200,000.00 ("First Installment Payment") 60 days following the Court's Final Approval of this Settlement ("First Settlement Payment Date").
 - (2) Defendant shall wire the second installment of \$200,000.00 ("Second Installment Payment") on the one-year anniversary of the First Settlement Payment Date.
 - (3) Defendant shall wire the third and final installment payment of \$200,000.00 ("Third Installment Payment") on the second anniversary of the First Settlement Payment Date.
- C. The Gross Settlement Amount includes:
- (1) All payments to the Settlement Class;
 - (2) All costs of the Settlement Administrator associated with the administration of the Settlement;
 - (3) Up to \$10,000.00 for the Class Representative Enhancement Payment in recognition of Plaintiff's contributions to the Lawsuit and her service to the Settlement Class and for executing a general release, including waiver of Civil Code § 1542. Even in the event that the Court reduces or does not approve the requested Class Representative Enhancement Payment, any such unawarded amount shall become part of the Net Settlement Amount, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding;
 - (4) Up to 33.33 percent of the Gross Settlement Amount in attorneys' fees (up to \$200,000), plus actual costs and expenses related to the Lawsuit, which are not to exceed \$20,000.00, as supported by declaration. Even in the event

that the Court reduces or does not approve the requested attorneys' fees and costs, the unawarded attorneys' fees and costs shall become part of the Net Settlement Amount, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding; and

- (5) \$40,000 of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code section 2699(i), 75% of such penalties, or \$30,000, will be payable to the Labor & Workforce Development Agency ("LWDA") for its share of PAGA penalties, and the remaining 25%, or \$10,000, will be payable to the Settlement Class as the "PAGA Amount" and will be part of the Net Settlement Amount.
- (6) The Settlement Class' portion of all federal, state, and local taxes that may be owed by the Settlement Class by virtue of the receipt of any portion of the monetary payment provided under this Agreement. Defendant shall pay its portion of all federal, state, and local taxes that Defendant may owe by virtue of the monetary payment provided under this Agreement. Employee agrees to indemnify and hold Defendant harmless from any and all liability, including, without limitation, all penalties, interest, and other costs that may be imposed by the Internal Revenue Service or other governmental agencies regarding any tax obligations that may arise from the monetary consideration made to Employee under this Agreement.

5. Payments to the Settlement Class. Settlement Class Members are not required to submit a claim form to receive a payment ("Individual Settlement Payment"). The Notice of Class Action Settlement contained in the Notice Packet shall state that Class Members who wish to receive Individual Settlement Payments need not do anything except keep the Settlement Administrator apprised of a current mailing address in order to receive an Individual Settlement Payment check following the Effective Date of the Settlement. Individual Settlement Payments will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, the Class Representative Enhancement Payment, the Settlement Administrator's costs, the Settlement Class Members' share of state, and federal and local taxes, and the LWDA's share of the PAGA payment. The remaining amount shall be known as the "Net Settlement Amount."
- B. Individual Settlement Payments shall be paid from the Net Settlement Amount and shall be paid as described below.

For each Installment Payment described in Section 4.B., the Claims Administrator shall calculate the total number of shifts worked by each Class Member ("Individual Shifts") and the total number of shifts worked by all Class Members ("Total Shifts") during the Class Period. To determine each Settlement Class Member's individual settlement payment, the Claims Administrator will divide the shifts of each Settlement Class Member

while employed by Defendant as a non-exempt hourly-paid employee in California during the Class Period by the total number of shifts of all Settlement Class Members while employed by Defendant as a non-exempt hourly-paid employees in California during the Class Period and multiply this ratio by the Net Settlement Amount.

- C. Within fourteen (14) calendar days following funding of the final Third Installment Payment and the full funding of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate each Settlement Class Member's Individual Settlement Payment and will prepare and mail Individual Settlement Payments to Settlement Class Members.
- D. Each Individual Settlement Payment shall be allocated as described in Section 5.B. IRS Forms W-2 and 1099 will be distributed to participating Settlement Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Settlement Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 20% of each Individual Settlement Payment shall be allocated as wages for which IRS Forms W-2 will be issued; 80% will be allocated to alleged unpaid penalties and interest for which IRS Forms 1099-MISC will be issued.
- E. Each Settlement Class Member who receives an Individual Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. In the event any Individual Settlement Payment check has not been cashed within one hundred and eighty (180) days, the Settlement Administrator shall tender the funds represented by such uncashed checks as follows: Legal Aid at Work. The Settlement Administrator shall prepare a report regarding the distribution plan pursuant to California Code of Civil Procedure § 384, including and not limited to the unused funds as set forth in this Section, in accordance with the Court's orders.
- F. Neither Plaintiff nor Defendant and/or their counsel shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

6. Attorneys' Fees and Costs. Defendant will not object to the request for Class Counsel's attorneys' fees in an amount up to 33.33 percent of the Gross Settlement Amount, which is currently estimated to be \$200,000.00, plus actual costs and expenses, which are not to exceed \$20,000.00. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation all work performed and all costs incurred to date, and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when it pays the fee award allowed by the Court.

7. Class Representative Enhancement Payment. Defendant will not object to a request for a Class Representative Enhancement Payment of up to \$10,000.00 to Plaintiff for her time and risks in prosecuting this case, her service to the Class, and for executing a general release, including a Civil Code § 1542 waiver. This award will be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class Member, and shall be reported on an IRS Form 1099 by the Settlement Administrator.

8. Settlement Administrator. Plaintiff and Defendant will not object to the appointment of Phoenix Settlement Administrators as Settlement Administrator, nor to the request to seek approval to pay up to \$21,000.00 for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices and for calculating Individual Settlement Payments and preparing all checks and mailings. The Settlement Administrator shall be authorized to pay itself in full for administration of the entire Gross Settlement Amount from the First Installment of the Gross Settlement Amount only after Individual Settlement Payments for the First Installment have been mailed to all Settlement Class Members. Such payment to the Settlement Administrator shall obligate the Settlement Administrator to complete its administration of the settlement, including the mailing of remaining installments.

The Settlement Administrator shall have no claim for payment from Defendant with respect to any services provided by the Settlement Administrator except as otherwise expressly set forth in this Settlement Agreement.

9. Preliminary Approval. Upon execution of this Settlement Agreement, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Class for purposes of this Settlement Agreement;
- B. Appointing Bill Marder of Polaris Law Group and Dennis S. Hyun of Hyun Legal, APC Class Counsel;
- C. Appointing Brittany Taborn as Class Representative for the Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Class Notice and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

10. Notice to Settlement Class. Following preliminary approval, the Class shall be notified as follows:

- A. Within twenty (20) business days after entry of an order preliminarily approving this Settlement, Defendant will provide the Settlement Administrator with the names, last known addresses, last known telephone numbers, and social security

numbers (in electronic format) of the members of the Settlement Class, as well as the number of shifts each Settlement Class Member worked for Defendant between January 26, 2015 and the date of Preliminary Approval (the "Class Data").

- B. Within seven (7) calendar days from receipt of this information, the Settlement Administrator shall: (i) run the names of all Class Members through the National Change of Address ("NCOA") database to determine any updated addresses for Class Members; (ii) update the addresses of any Class Member for whom an updated address was found through the NCOA search; and (iii) mail the Notice Packet to each Class Member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Each Notice Packet will provide: (a) information regarding the nature of the Lawsuit; (b) a summary of the Settlement's principal terms; (c) the Settlement Class definition; (d) the total number of shifts each respective Class Member worked for Defendant during the Class Period; (e) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period; (g) instructions on how to submit Requests for Exclusion, or Notices of Objection; (h) the deadlines by which the Class Member must postmark or fax Claim Forms or Requests for Exclusions, or postmark Notices of Objection to the Settlement; (i) the claims to be released, as set forth herein; and (j) the date for the final approval hearing.
- D. Any Notice Packets returned to the Settlement Administrator as undelivered on or before the Response Deadline (defined below) shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within 5 business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Class Member promptly, and in any event within 3 business days of obtaining the updated address. Class Members to whom Notice Packets are re-sent after having been returned as undeliverable to the Settlement Administrator shall have 14 calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to mail a Request for Exclusion, objection, or dispute. Notice Packets that are re-sent shall inform the recipient of this adjusted deadline.
- E. Any Class Member who wishes to opt out of the Settlement must complete and mail a Request for Exclusion to the Settlement Administrator within 30 calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").
 - i. The Request for Exclusion must: (1) contain the name, address, telephone number, and last four digits of the Social Security number of the Class Member; (2) be signed by the Class Member; and (3) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not

contain the information listed in items (1)-(3), it will not be deemed valid for exclusion from this Settlement, except a Request for Exclusion form not containing a Class Member's telephone number and/or last four digits of his or her social security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Class Member who validly requests to be excluded from the Settlement will no longer be a member of the Settlement Class, will not be entitled to any recovery under this Settlement Agreement, and will not be bound by the terms of the Settlement or have any right to object, appeal, or comment thereon.

- ii. If 10% or more of eligible Class Members validly submit a Request for Exclusion from this Settlement, Defendant may, at its discretion, elect to rescind the Settlement by communicating that decision to both the Settlement Administrator and Class Counsel in writing within 14 calendar days of the Response Deadline. Should Defendant exercise this option, Defendant will be responsible for any costs and fees incurred by the Settlement Administrator as of the date of its rescission. Conversely, the number of individuals comprising the Settlement Class was estimated to be 2,232 individuals at the time of mediation. In the event that this number of individuals was actually 10% higher at the time of mediation, Plaintiff may, at its discretion, elect to rescind the Settlement by communicating that decision to both the Settlement Administrator and Class Counsel in writing within 14 calendar days of the Response Deadline..
- iii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class Member to object to the Settlement or opt out of the Settlement Class, or encourage any Settlement Class Member to appeal from the final judgment.

F. Class Members who do not opt out may object to this Settlement Agreement as explained in the Class Notice by submitting a written objection with the Settlement Administrator (who shall provide all objections as received to Class Counsel and Defendant's counsel). To be valid, the objection must: (1) contain the Class Member's name, address, telephone number, and last four digits of the Class member's Social Security number; (2) be signed by the Class Member and/or his/her attorney; (3) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice; and (4) contain all legal and factual reasons why the Settlement Agreement should not be approved. The Settlement Administrator shall forward any objections to the Parties' counsel within 3 calendar days of receipt. Defendant's counsel and Class Counsel shall submit any responses to objections no later than the deadline to file the Motion for Final Approval.

G. Class Members will have the opportunity, should they disagree with the information stated in their Notice of Settlement Award, to provide documentation

and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. If the Parties cannot come to a consensus, outstanding disputes will be submitted to the Court for a resolution at Final Approval.

11. Final Approval. Following preliminary approval and the close of the period for filing Requests for Exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order (the “Final Approval Order and Judgment”):

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff’s and Class Counsel’s application for attorneys’ fees and costs, and the Class Representative Enhancement Payment; and
- C. Entering judgment pursuant to California Rule of Court 3.769.

12. Non-Admission of Liability. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. 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.

13. Nullification of Settlement Agreement. In the event that this Settlement Agreement is not preliminarily or finally approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the claims described herein:

- A. This Settlement Agreement shall be void ab initio and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;
- B. The conditional class certification (obtained for any purpose) shall be void ab initio and of no force and effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and
- C. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses or arguments in the Lawsuit, including with respect to the issue of class certification.

14. Certification of the Settlement Class. The Parties stipulate to conditional class certification for the Class Period for purposes of settlement only. In the event that this stipulation is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of

the claims as described herein, the conditional class certification (obtained for any purpose) shall be void ab initio and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issues, substantive or procedural, regarding class- or representative-action treatment, or regarding the merits (or lack thereof) of the claims asserted in the Lawsuit.

15. Waiver and Amendment. The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties' counsel, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

16. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Thomas McInerney,
Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
Steuart Tower, Suite 1300, One Market Plaza, San Francisco,
California 94105
Thomas.mcinerney@ogletree.com

if to Plaintiff: Dennis S. Hyun,
HYUN LEGAL, APC
515 S. Figueroa St., Suite 1250
Los Angeles, California 90071
dhyun@hyunlegal.com

17. Entire Agreement. This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

18. Counterparts. This Settlement Agreement may be executed by one or more Parties on any number of separate counterparts, signed via DocuSign, and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, this Settlement Agreement is executed by and on behalf of the settling parties and their duly authorized attorneys, as of the day and year herein set forth.

DATED: 11 / 20 / 2020 _____

Rinse, Inc.

By: 
Ajay Prakash
Chief Executive Officer

DATED: _____

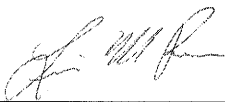
Brittany Taborn

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: 11/20/2020

Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

By:  Lisa M. Bowman
Thomas McInerney
Attorney for Defendant

DATED: _____


Polaris Law Group

By: _____
Bill Marder
Attorney for Plaintiff

By: _____
Ajay Prakash
Chief Executive Officer

DATED: 10/29/2020

Brittany Taborn

DocuSigned by:
By:  _____
1621616671498
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:


DATED: _____

Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

By: _____
Thomas McInerney
Attorney for Defendant

DATED: October 29, 2020

Polaris Law Group

By:  _____
Bill Marder
Attorney for Plaintiff