

Fill in this information to identify the case:

Debtor 1 The Container Store Group, Inc., et al.

Debtor 2  
(Spouse, if filing) \_\_\_\_\_

United States Bankruptcy Court for the: Southern District of Texas

Case number 24-90627 (ARP)

Official Form 410

Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Rashon Hayes, indiv. and on behalf of other members of the general public, per California PAGA</u> Name of the current creditor (the person or entity to be paid for this claim)		
	Other names the creditor used with the debtor _____		
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____		
3. Where should notices and payments to the creditor be sent?  Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent?  <u>Lawyers for Justice, PC</u> Name <u>450 North Brand Blvd., #900</u> Number Street <u>Glendale</u> <u>CA</u> <u>91203</u> City State ZIP Code  Contact phone <u>619-269-2126</u> Contact email <u>clstengel@outlook.com</u>	Where should payments to the creditor be sent? (if different)  <u>To be determined by Court order or</u> Name <u>third party administrator</u> Number Street _____ City State ZIP Code  Contact phone _____ Contact email _____	
Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____			
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY		
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____		



2490627250313000000000001

**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

6. Do you have any number you use to identify the debtor? ☒ No  
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: \_\_\_\_\_

7. How much is the claim? \$ 2,500,000.00. Does this amount include interest or other charges?  
☒ No  
☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.  
 Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).  
 Limit disclosing information that is entitled to privacy, such as health care information.  
Class action settlement, Superior Court, County of Santa Clara

9. Is all or part of the claim secured? ☒ No  
☐ Yes. The claim is secured by a lien on property.  
**Nature of property:**  
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.  
☐ Motor vehicle  
☐ Other. Describe: \_\_\_\_\_  
**Basis for perfection:** \_\_\_\_\_  
 Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  
**Value of property:** \$ \_\_\_\_\_  
**Amount of the claim that is unsecured:** \$ \_\_\_\_\_ (The sum of the secured and unsecured amounts should match the amount in line 7.)  
**Amount necessary to cure any default as of the date of the petition:** \$ \_\_\_\_\_  
**Annual Interest Rate** (when case was filed) \_\_\_\_\_ %  
☐ Fixed  
☐ Variable

10. Is this claim based on a lease? ☒ No  
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ \_\_\_\_\_

11. Is this claim subject to a right of setoff? ☒ No  
☐ Yes. Identify the property: \_\_\_\_\_

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No

☐ Yes. Check one:

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

☐ Up to \$3,350\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

☐ Wages, salaries, or commissions (up to \$15,150\*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

☐ Other. Specify subsection of 11 U.S.C. § 507(a)( ) that applies.

Amount entitled to priority

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

**Part 3: Sign Below**

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.

☒ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 03/13/2025  
MM / DD / YYYY

/s/ Cheryl L. Stengel

Signature

Print the name of the person who is completing and signing this claim:

Name Cheryl L. Stengel  
First name Middle name Last name

Title Attorney

Company LAW OFFICE OF CHERYL L. STENGEL  
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 402 W. Broadway, Suite 1230  
Number Street

San Diego CA 92101  
City State ZIP Code

Contact phone 619-269-2126 Email clstengel@outlook.com

DocuSign Envelope ID: A656DF51-8648-4301-B0C2-EF2D12DD8C07

Edwin Aiwazian (SBN 232943)  
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*Attorneys for Defendant*

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

RASHON HAYES, individually, and on behalf of  
 other members of the general public similarly  
 situated and on behalf of other aggrieved  
 employees pursuant to the California Private  
 Attorneys General Act;

Plaintiff,

vs.

THE CONTAINER STORE, INC., an unknown  
 business entity; and DOES 1 through 100,  
 inclusive,

Defendant.

Case No. 20CV363825

Honorable Theodore Zayner  
 Department 19

**CLASS ACTION**

**SETTLEMENT AGREEMENT AND  
 RELEASE OF CLASS AND  
 REPRESENTATIVE ACTION CLAIMS**

Complaint Filed:	February 10, 2020
FAC Filed:	August 3, 2020
Jury Trial:	None Set



**SETTLEMENT AGREEMENT AND RELEASE**

**OF CLASS AND REPRESENTATIVE ACTION CLAIMS**

This Settlement Agreement and Release of Class and Representative Action Claims (“Settlement Agreement”) is made and entered into by: (1) Plaintiff Rashon Hayes (“Plaintiff”), individually and in his representative capacity on behalf of the Settlement Class, as defined below, and as a private attorney general on behalf of the State of California; and (2) Defendant The Container Store, Inc. (“Defendant”). Plaintiff and Defendant are collectively referred to herein as the “Parties,” or individually, a “Party.” This Settlement Agreement is subject to the approval of the Court pursuant to California Code of Civil Procedure section 382 and is made for the sole purpose of attempting to consummate settlement of the action on a class-wide basis subject to the following terms and conditions. As detailed below, and subject to the terms of Section 1.52.1 below, in the event the Court does not enter an order granting final approval of this Settlement Agreement or the conditions precedent are not met for any reason, this Settlement Agreement shall be void and of no force or effect whatsoever.

**1.1. DEFINITIONS**

As used in this Settlement Agreement, the following terms shall have the meanings specified below. To the extent terms or phrases used in this Settlement Agreement are not specifically defined in this section immediately below, but are defined elsewhere in this Settlement Agreement, they are incorporated by reference into this definition section.

**1.1.1. ACTION**

“Action” shall mean the following civil action: *Rashon Hayes v. The Container Store, Inc.*, No. 20CV363825, currently pending before the Superior Court of the State of California for the County of Santa Clara.

**1.1.2. ADMINISTRATIVE EXPENSES**

“Administrative Expenses” shall include all reasonable costs and expenses associated with and paid to the Settlement Administrator not to exceed \$21,000.00.

**1.1.3. CLASS ATTORNEYS’ FEES AND EXPENSES**

“Class Attorneys’ Fees and Expenses” shall mean the portion of the Gross Settlement Amount attributable to Class Counsel’s attorneys’ fees and litigation expenses. The Parties agree that the

1 amount of fees and costs payable to Class Counsel shall be determined by the Court. However, in no  
2 event will Class Counsel request attorneys' fees of more than 35% of the Gross Settlement Amount  
3 (*i.e.*, \$875,000.00).

4 **1.1.4. CLASS COUNSEL**

5 "Class Counsel" shall mean Edwin Aiwazian, Arby Aiwazian, and Elizabeth Parker-Fawley of  
6 Lawyers for Justice, PC.

7 **1.1.5. CLASS DATA**

8 "Class Data" shall mean information regarding Class Members that Defendant will in good faith  
9 compile from its records and provide to the Settlement Administrator. The Class Data shall be  
10 formatted as a Microsoft Excel spreadsheet and shall include: each Class Member's full name; last  
11 known address; Social Security Number; and information sufficient to calculate the number of  
12 Workweeks each Class Member worked during the Class Period. The Class Data shall remain  
13 confidential, be marked "Confidential – Settlement Administrator's Eyes Only," and shall not be  
14 disclosed to Class Counsel or any other person or entity other than the Settlement Administrator for  
15 the purposes set forth herein.

16 **1.1.6. CLASS MEMBER**

17 "Class Member" shall mean any person who is a member of the Settlement Class, or, if such person is  
18 incompetent or deceased, the person's legal guardian, executor, administrator, heir, or successor-in-  
19 interest.

20 **1.1.7. CLASS NOTICE**

21 "Class Notice" shall mean the Court Approved Notice of Class Action Settlement and Hearing Date  
22 for Final Court Approval, as set forth in the form of **Exhibit 1** attached hereto, or as otherwise approved  
23 by the Court, which is to be mailed to Class Members.

24 **1.1.8. CLASS PARTICIPANTS**

25 "Class Participants" shall mean all Class Members who do not timely request exclusion from the Class  
26 Settlement.

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**1.1.9. CLASS PERIOD**

“Class Period” shall mean the period from February 10, 2016, through the earlier of June 6, 2024 or the Preliminary Approval Date.

**1.1.10. CLASS REPRESENTATIVE**

“Class Representative” shall mean Plaintiff Rashon Hayes.

**1.1.11. CLASS SETTLEMENT**

“Class Settlement” shall mean the settlement of the Released Class Claims embodied in this Settlement Agreement, which is subject to the Court’s approval.

**1.1.12. COMPLAINT**

“Complaint” shall mean the currently operative complaint in the Action.

**1.1.13. COURT**

“Court” shall mean the Superior Court of the State of California for the County of Santa Clara.

**1.1.14. DEFENDANT**

“Defendant” shall mean Defendant The Container Store, Inc.

**1.1.15. DEFENSE COUNSEL**

“Defense Counsel” shall mean Defendant’s counsel of record in the Action, Wendy M. Lazerson and Natali Wyson of Sidley Austin LLP.

**1.1.16. EFFECTIVE DATE**

“Effective Date” shall be the date when all of the following events have occurred: (a) this Settlement Agreement has been executed by all Parties and by Class Counsel and Defense Counsel; (b) the Court has given preliminary approval to the Class Settlement; (c) notice has been given to the Settlement Class providing them with an opportunity to request exclusion from, and/or to object to, the Class Settlement; (d) the Court has held a Final Approval and Fairness Hearing and entered a final order and judgment certifying the Settlement Class and approving this Settlement Agreement; and (e) the later of the following events: (i) the expiration of the period for filing any appeal, writ, or other appellate proceeding opposing the Class Settlement has elapsed without any appeal, writ, or other appellate proceeding having been filed; (ii) the dismissal of any appeal, writ, or other appellate proceeding opposing the Class Settlement with no right to pursue further remedies or relief; or (iii) any decision

on any appeal, writ, or the issuance of such other final appellate order upholding the Court's final order with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Class Settlement shall not become effective until the Court's order approving the Class Settlement is completely final and there is no further recourse by an appellant or objector who seeks to contest the Class Settlement. In the event no objections are filed, the Effective Date shall be the date steps (a) through (d) are completed (*i.e.*, the date that the court has entered a final order and judgment certifying the Settlement Class and approving this Settlement Agreement).

**1.1.17. EMPLOYER TAXES**

"Employer Taxes" shall mean the employer's share of any taxes or withholding arising from settlement payments made under this Settlement Agreement to be paid in addition to the Gross Settlement Amount.

**1.1.18. FINAL APPROVAL AND FAIRNESS HEARING**

"Final Approval and Fairness Hearing" shall mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Class Settlement.

**1.1.19. GROSS SETTLEMENT AMOUNT**

"Gross Settlement Amount" is the agreed upon non-reversionary settlement amount totaling two million five hundred thousand dollars (\$2,500,000.00) to be paid by Defendant in full settlement of the Released Class Claims and Released PAGA Claims asserted in this Action, inclusive of the Administrative Expenses, the Class Attorneys' Fees and Expenses, the Incentive Award, and PAGA Payment. Notwithstanding the foregoing definition, Defendant shall be responsible to pay the Employer Taxes due with each payment made under this Settlement Agreement separately and in addition to the Gross Settlement Amount.

**1.1.20. HEARING ON PRELIMINARY APPROVAL**

"Hearing on Preliminary Approval" shall mean the hearing held on the motion for preliminary approval of the Class Settlement.

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**1.1.21. INCENTIVE AWARD**

“Incentive Award” shall mean any additional monetary payment from the Gross Settlement Amount that is in addition to the Individual Settlement Amount and Individual PAGA Payment provided to the Class Representative for his efforts and risks on behalf of the Settlement Class in this Action.

**1.1.1. INDIVIDUAL PAGA PAYMENT**

“Individual PAGA Payment” shall mean the *pro rata* share of the employee portion of the PAGA Payment for each PAGA Settlement Group Member.

**1.1.2. INDIVIDUAL SETTLEMENT AMOUNT**

“Individual Settlement Amount” shall mean each Class Member’s *pro rata* share of the Net Settlement Amount. The Individual Settlement Amount does not include any portion of the PAGA Payment.

**1.1.3. INDIVIDUAL SETTLEMENT PAYMENT**

“Individual Settlement Payment” shall mean the amount which is ultimately distributed to each Class Participant in payment for the Class Settlement, which is their Individual Settlement Amount net employee side withholding taxes.

**1.1.4. NET SETTLEMENT AMOUNT**

“Net Settlement Amount” shall mean the Gross Settlement Amount minus: the Administrative Expenses; the Class Attorneys’ Fees and Expenses; the PAGA Payment; and the Incentive Award.

**1.1.5. OPT OUT**

“Opt Out” shall refer to the process of a Class Member submitting a timely and valid request for exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline; provided, however, that PAGA Settlement Group Members shall not be eligible to opt out of the PAGA Settlement.

**1.1.6. OPT-OUTS**

“Opt-Outs” shall mean all Class Members who timely and validly request exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.

**1.1.7. PAGA PAYMENT**

“PAGA Payment” means the amount of the Gross Settlement Amount allocated to penalties pursuant to the California Labor Code Private Attorney General Act of 2004 (“PAGA”), codified at Labor Code

sections 2698 through 2699, that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is two hundred fifty thousand dollars (\$250,000.00) (*i.e.*, ten (10) percent of the Gross Settlement Amount). The PAGA Payment is subject to approval by the Court pursuant to Labor Code section 2699(1)(2) and shall be distributed as follows: seventy-five percent (75%) (*i.e.*, \$187,500.00) to the California Labor and Workforce Development Agency (“LWDA”) and twenty-five percent (25%) (*i.e.*, \$62,500.00) to the PAGA Settlement Group. Class Counsel shall give timely notice of this Settlement Agreement to the LWDA pursuant to Labor Code section 2699, subdivision (1)(2). In the event that the Court alters the sum allocated to PAGA penalties, the same 75/25% percentages shall apply.

**1.1.8. PAGA PERIOD**

“PAGA Period” shall mean the period from February 12, 2019, through the earlier of June 6, 2024 or the Preliminary Approval Date.

**1.1.9. PAGA SETTLEMENT**

“PAGA Settlement” shall mean the settlement of the PAGA claims embodied in this Settlement Agreement, which is subject to the Court’s approval.

**1.1.10. PAGA SETTLEMENT GROUP**

“PAGA Settlement Group” shall mean all individuals who are or were employed by Defendant as an hourly-paid or non-exempt employee in California from February 12, 2019 to June 6, 2024. For purposes of this Settlement Agreement, Defendant represents that the PAGA Settlement Group consists of approximately 1,702 employees who worked a total of approximately 57,503 pay periods during the PAGA Period.

**1.1.11. PAGA SETTLEMENT GROUP MEMBER**

“PAGA Settlement Group Member” shall mean any individual who is a member of the PAGA Settlement Group, or, if such person is incompetent or deceased, the person’s legal guardian, executor, administrator, heir, or successor-in-interest.

**1.1.12. PAGA GROUP MEMBER DATA**

“PAGA Group Member Data” shall mean information regarding PAGA Settlement Group Members that Defendant will in good faith compile from its records and provide to the Settlement

1 Administrator. The PAGA Group Member Data shall be formatted as a Microsoft Excel spreadsheet  
2 and shall include: each PAGA Settlement Group Member's full name; last known address; Social  
3 Security Number; and information sufficient to calculate the number of Pay Periods each PAGA  
4 Settlement Group Member worked during the PAGA Period. The PAGA Group Member Data shall  
5 remain confidential, be marked "Confidential – Settlement Administrator's Eyes Only," and shall not  
6 be disclosed to Class Counsel or any other person or entity other than the Settlement Administrator for  
7 the purposes set forth herein.

8 **1.1.13. PAY PERIOD**

9 "Pay Period" shall mean the number of pay periods in which a PAGA Settlement Group Member  
10 worked at least one day for Defendant in California during the PAGA Period.

11 **1.1.14. PRELIMINARY APPROVAL DATE**

12 "Preliminary Approval Date" shall mean the date upon which the Court enters an order preliminarily  
13 approving this Settlement Agreement.

14 **1.1.15. RELEASED CLASS CLAIMS**

15 "Released Class Claims" shall mean those claims arising out of or related to the allegations set forth in  
16 the Complaint, including any and all claims arising from the same nucleus of facts that were or could  
17 have been raised in the Complaint, which arose at any time during the Class Period, including but not  
18 limited to claims for: (1) unpaid overtime in violation of Labor Code sections 510 and 1198; (2) unpaid  
19 meal period premiums in violation of Labor Code sections 226.7 and 512(a); (3) unpaid rest period  
20 premiums in violation of Labor Code section 226.7; (4) unpaid minimum wages in violation of Labor  
21 Code sections 1194, 1197, and 1197.1; (5) final wages not being timely paid in violation of Labor Code  
22 sections 201-203; (6) wages not being timely paid during employment in violation of Labor Code  
23 section 204; (7) non-compliant wage statements in violation of Labor Code section 226(a); (8) failure  
24 to keep requisite payroll records in violation of Labor Code 1174(d); (9) unreimbursed business  
25 expenses in violation of Labor Code sections 2800 and 2802, including but not limited to expenses  
26 incurred for uniform and dress code, internet service, telephone service, telecommunications  
27 equipment, cost of any home office equipment (such as, without limitation, computers, printers,  
28 scanners, monitors, and headsets, et cetera), office supplies, electricity and other utility bills, rental



1 value of home office space, and late payment charges or fees assessed to corporate credit cards;  
2 (10) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation  
3 of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); (11) statutory penalties  
4 based on the foregoing pursuant to Labor Code sections 210, 218.5, 558, 2699 and Code of Regulations  
5 Title 8 section 11010, et seq.; and (12) liquidated damages, penalties, interest, attorneys' fees, and costs  
6 based on the foregoing. The period of the release set forth in Section 1.11.1 below shall extend through  
7 the entire Class Period. The *res judicata* effect of the Judgment will be the same as that of the Class  
8 Release. Except as provided herein, the definition of Released Class Claims shall not be limited in any  
9 way by the possibility that Plaintiff or Settlement Class Members may discover new facts or legal  
10 theories or legal arguments not alleged in the Complaint but which might serve as an alternative basis  
11 for pursuing claims, causes of action, or legal theories of relief falling within the definition of Released  
12 Class Claims.

13 Except as set forth in Section 1.11.3 below, this Settlement Agreement will not release any person,  
14 Party, or entity from claims, if any, by Class Members for workers' compensation, unemployment, or  
15 disability benefits of any nature. Nor does it release any claims, actions, or causes of action which may  
16 be possessed by Class Members other than Plaintiff under state or federal discrimination statutes,  
17 including, without limitation, the California Fair Employment and Housing Act (Gov. Code, §§ 12900–  
18 12996); the Unruh Civil Rights Act (Civ. Code, § 51); the California Constitution; Title VII of the Civil  
19 Rights Act of 1964 (42 U.S.C. § 2000, et seq.); the Americans with Disabilities Act (42 U.S.C. § 12101,  
20 et seq.); the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1001 et seq.); and all of  
21 their implementing regulations and interpretive guidelines.

#### 22 **1.1.16. RELEASED PAGA CLAIMS**

23 “Released PAGA Claims” shall mean any and all claims for civil penalties under the PAGA arising out  
24 of or related to the allegations set forth in the Complaint and/or PAGA notice to the LWDA, including  
25 any and all claims arising from the same nucleus of facts that were or could have been raised in the  
26 PAGA notice to the LWDA, which arose at any time during the PAGA Period, including but not limited  
27 to claims for: (1) unpaid overtime in violation of Labor Code sections 510 and 1198; (2) unpaid meal  
28 period premiums in violation of Labor Code sections 226.7 and 512(a); (3) unpaid rest period premiums



1 in violation of Labor Code section 226.7; (4) unpaid minimum wages in violation of Labor Code  
2 sections 1194, 1197, and 1197.1; (5) final wages not being timely paid in violation of Labor Code  
3 sections 201-203; (6) wages not being timely paid during employment in violation of Labor Code  
4 section 204; (7) non-compliant wage statements in violation of Labor Code section 226(a); (8) failure  
5 to keep requisite payroll records in violation of Labor Code 1174(d); and (9) unreimbursed business  
6 expenses in violation of Labor Code sections 2800 and 2802, including but not limited to expenses  
7 incurred for uniform and dress code, internet service, telephone service, telecommunications  
8 equipment, cost of any home office equipment (such as, without limitation, computers, printers,  
9 scanners, monitors, and headsets, et cetera), office supplies, electricity and other utility bills, rental  
10 value of home office space, and late payment charges or fees assessed to corporate credit cards.

11 **1.1.17. RELEASED PARTIES**

12 “Released Parties” shall mean Defendant and all of Defendant’s current or former parent companies,  
13 subsidiaries, affiliates, and otherwise related entities, and any of their past, present and/or future direct  
14 and/or indirect officers, directors, shareholders, agents, executive-level employees, representatives,  
15 attorneys, insurers, partners, investors, administrators, members, agents, predecessors, successors,  
16 assigns, divisions and joint venturers.

17 **1.1.18. RELEASING PARTIES**

18 “Releasing Parties” shall mean every Class Participant and PAGA Settlement Group Member and all  
19 persons purporting to act on their behalf or purporting to assert a claim under or through them,  
20 including, but not limited to, their dependents, heirs, assigns, beneficiaries, devisees, legatees,  
21 executors, administrators, agents, trustees, conservators, guardians, personal representatives, and  
22 successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or  
23 any other type or in any other capacity.

24 **1.1.19. RESPONSE DEADLINE**

25 “Response Deadline” shall mean the date sixty (60) days following the date on which the Settlement  
26 Administrator first mails the Class Notice to the Class Members. The Response Deadline shall be the  
27 last day on which Class Members may submit a request for exclusion and/or objection to the Class  
28 Settlement.

**1.1.20. SETTLEMENT ADMINISTRATOR**

“Settlement Administrator” shall mean Simpluris, Inc. (or other administrator agreed upon by the Parties) which the Parties have agreed will be responsible for administration of the Class Settlement and related matters.

**1.1.21. SETTLEMENT CLASS**

“Settlement Class” shall mean all individuals who are or were employed by Defendant as an hourly-paid or non-exempt employee in California during the Class Period. For purposes of this Settlement Agreement, Defendant represents that the Settlement Class consists of approximately 2,456 Class Members who worked a total of approximately 182,513 workweeks during the Class Period.

“Settlement Class Member” shall mean any individual who is a part of the Settlement Class.

**1.1.22. TAXES**

“Taxes” shall mean all taxes arising with respect to the Gross Settlement Amount, including any taxes or tax detriments that may be imposed upon the Parties or their counsel with respect to any income earned by the Gross Settlement Amount for any period during which the Gross Settlement Amount does not qualify as a “Qualified Settlement Fund” for federal or state income tax purposes.

**1.1.23. WORKWEEK(S)**

“Workweek” or “Workweeks” shall mean the number of workweeks in which a Settlement Class Member worked at least one day for Defendant in California during the Class Period.

**1.2. FACTUAL AND PROCEDURAL BACKGROUND****1.2.1. PLAINTIFF’S CLAIMS**

Plaintiff, individually and in his representative capacity on behalf of the Settlement Class, and as a private attorney general on behalf of the State of California, has alleged the following: (1) unpaid overtime in violation of Labor Code sections 510 and 1198; (2) unpaid meal period premiums in violation of Labor Code sections 226.7 and 512(a); (3) unpaid rest period premiums in violation of Labor Code section 226.7; (4) unpaid minimum wages in violation of Labor Code sections 1194, 1197, and 1197.1; (5) final wages not being timely paid in violation of Labor Code sections 201 and 202; (6) wages not being timely paid during employment in violation of Labor Code section 204; (7) non-compliant wage statements in violation of Labor Code section 226(a); (8) failure to keep requisite

1 payroll records in violation of Labor Code 1174(d); (9) unreimbursed business expenses, including but  
2 not limited to uniform and dress code expenses; (10) deceptive, fraudulent, or otherwise unlawful  
3 business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. &  
4 Prof. Code, §§ 17200–17210); (11) statutory penalties based on the foregoing pursuant to PAGA (Lab.  
5 Code, §§ 2698–2699.6); and (12) liquidated damages, penalties, interest, attorneys' fees, and costs  
6 based on the foregoing.

7 **1.2.2. DISCOVERY, INVESTIGATION, RESEARCH, AND MEDIATION**

8 Class Counsel have conducted significant formal and informal discovery during the prosecution of the  
9 Action. Class Counsel and the Class Representative have vigorously prosecuted this case, and  
10 Defendant has vigorously contested it. The Parties have engaged in sufficient investigation and  
11 discovery to assess the relative merits of the claims of the Class Representative and of the defenses to  
12 them. After such discovery, investigation, and prosecution, the Parties attended a full-day mediation  
13 with an experienced employment law mediator, Paul Grossman, and thereafter continued negotiations  
14 with the assistance of the mediator which culminated in a settlement in principle, the terms of which  
15 are elaborated in this Settlement Agreement.

16 **1.2.3. ALLEGATIONS OF THE CLASS REPRESENTATIVE AND BENEFITS OF**  
17 **CLASS SETTLEMENT**

18 The documents and data exchanged in this matter, as well as discussions between counsel, have been  
19 adequate to give the Class Representative and Class Counsel a sound understanding of the merits of  
20 their positions and to enable them to evaluate the value of the claims of the Settlement Class. The  
21 discovery conducted in this Action is sufficient to assess the merits of the Parties' respective positions  
22 reliably and to compromise the issues on a fair and equitable basis.

23 The Class Representative and Class Counsel believe that the claims, causes of action, allegations, and  
24 contentions asserted in the Action have merit. However, the Class Representative and Class Counsel  
25 recognize and acknowledge the expense and delay of continued lengthy proceedings necessary to  
26 prosecute the Action against Defendant through trial and through appeals. Class Counsel have taken  
27 into account the uncertain outcome of the litigation, the risk of continued litigation in complex actions  
28 such as this, as well as the difficulties and delays inherent in such litigation, and the potential difficulty

1 of obtaining certification of a class as well as trying the claims of a class. Class Counsel are mindful of  
2 the potential problems of proof under, and possible defenses to, the claims alleged in the Action.

3 The Class Representative and Class Counsel believe that the settlement set forth in this Settlement  
4 Agreement confers substantial benefits upon Plaintiff and the Settlement Class and that an independent  
5 review of this Settlement Agreement by the Court in the approval process will confirm this conclusion.

6 Based on their own independent investigation and evaluation, Class Counsel have determined that the  
7 settlement set forth in this Settlement Agreement is in the best interests of Plaintiff and the Class  
8 Members.

9 **1.2.4. DEFENDANT'S DENIALS OF WRONGDOING AND LIABILITY**

10 Defendant has denied and continues to deny all allegations, claims, and contentions alleged by Plaintiff  
11 in the Action. Defendant has expressly denied and continues to deny all charges and allegations of  
12 wrongdoing or liability of any kind arising out of any of the conduct, statements, acts, or omissions  
13 alleged in the Action. Defendant contends, among other things, that it complied at all times with  
14 California law, and that it has dealt legally and fairly with Plaintiff and the Class Members.

15 Defendant further denies that, for any purpose other than settling this Action, the claims in the Action  
16 are appropriate for class or representative treatment. Nonetheless, Defendant has concluded that further  
17 proceedings in the Action would be protracted and expensive and that it is desirable that the Action be  
18 fully and finally settled in the manner and upon the terms and conditions set forth in this Settlement  
19 Agreement to permit the operation of Defendant's business without further expensive litigation and the  
20 distraction and diversion of its personnel with respect to matters at issue in the Action. Defendant has  
21 also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases  
22 such as the Action. Defendant has, therefore, determined that it is desirable and beneficial to them that  
23 the Action be settled in the manner and upon the terms and conditions set forth in this Settlement  
24 Agreement.

25 **1.2.5. INTENT OF THE CLASS SETTLEMENT**

26 The Class Settlement set forth herein intends to achieve the following: (1) entry of an order approving  
27 the Class Settlement; (2) entry of judgment of the Action; and (3) discharge and release of the Released  
28 Parties from liability for any and all of the Released Class Claims and Released PAGA Claims.

1           **1.3.    CONDITIONAL CERTIFICATION OF THE SETTLEMENT CLASS**

2   For the purposes of this Settlement Agreement and the Class Settlement of this Action only, the Parties  
3   agree to conditional class certification of the Settlement Class. Defense Counsel believe this conditional  
4   certification is appropriate because the Released Class Claims are being compromised without the need  
5   to establish the elements of those claims on which liability turns. The certification of the Settlement  
6   Class shall not constitute, in this or any other proceeding, an admission of any kind by Defendant,  
7   including without limitation, that certification of a class for trial purposes is or would be warranted,  
8   appropriate or proper; or that Plaintiff could establish any of the requisite elements for class treatment  
9   of any of the claims in the Action. Nor does Defendant concede or waive any rights to dispute that this  
10   matter, should it have proceeded, is properly brought as a representative action or that Plaintiff or any  
11   PAGA Settlement Group Members are aggrieved employees as defined by PAGA.

12   In the event that the Settlement Agreement is not finally approved by the Court, a final Effective Date  
13   is not achieved, or the Class Settlement is rejected, terminated, or otherwise rendered null and void as  
14   set forth herein, then, except as set forth in Section 1.52.1 below, certification of the Settlement Class  
15   shall be automatically vacated, shall be void *ab initio*, of no force or effect, and shall not constitute  
16   evidence or a binding determination that the requirements for certification of a class for trial purposes  
17   (or for any other purpose) in this Action or in any other action have been, are, or can be satisfied.  
18   Further, if the Agreement does not reach a final Effective Date, Plaintiff agrees that Plaintiff will not  
19   argue, claim, reference, or otherwise raise any preliminary approval of the Settlement Class in  
20   connection with any later proceeding before the Court or any court.

21           **1.4.    APPOINTMENT OF CLASS COUNSEL**

22   For purposes of this Settlement Agreement and subject to the Court's approval, the Parties agree to the  
23   appointment of Class Counsel as counsel for the Settlement Class and the effectuation of the Class  
24   Settlement pursuant to this Settlement Agreement.

25           **1.5.    CONSIDERATION**

26           **1.5.1.   SETTLEMENT AMOUNT**

27   The Parties agree to settle this Action for the Gross Settlement Amount of two million five hundred  
28   thousand dollars (\$2,500,000.00). Subject to the terms of Section 1.9.1 below, there shall be no

1 reversion to Defendant. Defendant shall pay the Gross Settlement Amount as set forth in Section 1.6.2  
2 below. The Gross Settlement Amount and other actions and forbearances taken by Defendant shall  
3 constitute adequate consideration for the Class Settlement and will be made in full and final settlement  
4 of: the Released Class Claims, the Released PAGA Claims, the Class Attorneys' Fees and Expenses,  
5 the Administrative Expenses, the Incentive Award, the PAGA Payment (and any payments to  
6 individual PAGA Settlement Group Members resulting from the PAGA Payment), and any other  
7 obligation of Defendant under this Settlement Agreement.

8 **1.5.2. INCENTIVE AWARD FOR PLAINTIFF**

9 Plaintiff may petition the Court to approve an Incentive Award in an amount not to exceed \$14,000.00  
10 to acknowledge his efforts on behalf of the Settlement Class, PAGA Settlement Group, and State of  
11 California in this Action, including assisting in the investigation, consulting with Class Counsel, and  
12 providing crucial documents to Class Counsel. The amount of the Incentive Award shall be determined  
13 by the Court. Any Incentive Award approved by the Court shall be paid to Plaintiff from the Gross  
14 Settlement Amount and shall be in addition to any distribution to which he may otherwise be entitled  
15 as a Class Participant and PAGA Settlement Group Member. Any Incentive Award approved by the  
16 Court shall not be considered wages, and the Settlement Administrator shall issue to Plaintiff an IRS  
17 Form 1099 reflecting such payment. Plaintiff shall be solely responsible for the payment of all taxes  
18 with respect to any Incentive Award approved by the Court.

19 **1.5.3. PAYMENT TO CLASS PARTICIPANTS**

20 Each Class Member shall be eligible to receive payment of his, her, or their Individual Settlement  
21 Amount if (i) he, she, or they do/does not Opt Out; and (ii) the Settlement Agreement takes effect as a  
22 result of the passing of the Effective Date. Each Class Participant's Individual Settlement Amount shall  
23 be calculated by determining his, her, or their *pro rata* share of the Net Settlement Amount based on  
24 the Class Member's Workweeks compared to the total number of Workweeks worked by all Class  
25 Members. Each Class Participant's Individual Settlement Payment shall be calculated by determining  
26 his, her, or their Individual Settlement Amount as described above and netting out employee-side tax  
27 withholdings or deductions.

28 ///



**1.5.4. PAYMENT TO PAGA SETTLEMENT GROUP**

Provided that the Settlement Agreement takes effect as a result of the passing of the Effective Date, each PAGA Settlement Group Member shall be entitled to receive an Individual PAGA Payment. The portion of the PAGA Payment allocated to the PAGA Settlement Group shall be distributed to the PAGA Settlement Group based on the *pro rata* number of Pay Periods worked by each particular PAGA Settlement Group Member as compared to the total number of Pay Periods worked by all PAGA Settlement Group Members during the PAGA Period.

**1.5.5. PAYMENT TO THE LWDA**

Provided that the Settlement Agreement takes effect as a result of the passing of the Effective Date, the Administrator shall distribute seventy-five percent (75%) of the PAGA Payment (*i.e.*, \$187,500.00) to the LWDA.

**1.5.6. TAX TREATMENT AND PAYMENT**

The Parties agree to treat the Gross Settlement Amount as being at all times a “Qualified Settlement Fund,” also referred to throughout this Settlement Agreement as “QSF,” within the meaning of Treas. Reg. § 1.468B-1. The Settlement Administrator shall timely make such elections as necessary or advisable to carry out the provisions of this Section, including the “relation-back election” (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Settlement Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filings to occur.

For purposes of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Settlement Administrator. The Settlement Administrator shall timely and properly file all informational and other tax returns necessary or advisable with respect to administering this Settlement Agreement. Such returns (as well as the election described in this Section) shall be consistent with this paragraph and in all events shall reflect that any and all Taxes (including any estimated Taxes, interest, or penalties but not including employer-side taxes) on the Gross Settlement Amount will be paid out of the Gross Settlement Amount as provided

1 in this Section.

2 Any and all (a) Taxes, and (b) expenses and costs incurred in connection with the operation and  
3 implementation of this Section (including, without limitation, expenses of tax attorneys and/or  
4 accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the  
5 returns described in this Section) (“Tax Expenses”), shall be paid out of the Gross Settlement Amount,  
6 with the exception of the Employer Taxes which shall be paid by Defendant in addition to the Gross  
7 Settlement Amount. In all events, except as otherwise provided for in this Settlement Agreement, the  
8 Parties and their counsel shall have no liability or responsibility for the Taxes or the Tax Expenses.  
9 The Gross Settlement Amount and associated Employer Taxes shall indemnify and hold Defendant,  
10 the Released Parties, and their counsel harmless for Taxes and Tax Expenses (including, without  
11 limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses  
12 shall be treated as, and considered to be, a cost of administration of the Gross Settlement Amount and  
13 shall be timely paid by the Settlement Administrator out of the Gross Settlement Amount without prior  
14 order from the Court, and the Settlement Administrator shall be obligated (notwithstanding anything  
15 herein to the contrary) to withhold from distribution to Class Participants any funds necessary to pay  
16 such amounts, including the establishment of adequate reserves for any Taxes or Tax Expenses (as well  
17 as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(l)(2)); neither  
18 Defendant, the Released Parties, nor their counsel are responsible nor shall they have any liability  
19 therefor. The Parties hereto agree to cooperate with the Settlement Administrator, each other, and their  
20 tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this  
21 Section.

22 Each Individual Settlement Amount will be allocated as follows: twenty percent (20%) as wages and  
23 eighty percent (80%) as penalties, interest, and non-wage damages. The Settlement Administrator will  
24 withhold the employee’s share of taxes and withholdings with respect to the wages portion of the  
25 Individual Settlement Amounts, and issue checks to Class Participants for their Individual Settlement  
26 Payments (i.e., payment of their Individual Settlement Amount net of these taxes and withholdings).  
27 The Settlement Administrator shall issue to each Class Participant an IRS Form W-2 reflecting the  
28 wage portion and an IRS Form 1099 reflecting the non-wage portion of his, her, or their Individual



1 Settlement Amount. The Parties understand that Plaintiff and the Class Participants who receive any  
2 payment pursuant to this Settlement Agreement shall be ultimately responsible for any and all  
3 individual tax obligations. Notwithstanding the foregoing, in the event that a different portion of the  
4 settlement payments under this Settlement must be treated as wages, Defendant shall remain  
5 responsible for paying the employer's share of any taxes or withholding arising from those payments.  
6 With respect to the Individual PAGA Payments made to PAGA Settlement Group Members, all such  
7 payments shall be treated as payments owed for alleged penalties and interest thereon and shall not be  
8 considered wages. The Settlement Administrator shall issue to each member of the PAGA Settlement  
9 Group an IRS Form 1099 reflecting such payment. Each PAGA Settlement Group Member, including  
10 Plaintiff, shall be solely responsible for the payment of all taxes with respect to any PAGA payments  
11 made to them.

12 **1.5.7. NO EFFECT ON EMPLOYEE BENEFIT PLANS**

13 Neither the Class Settlement nor any amounts paid pursuant to this Settlement Agreement will modify  
14 any previously credited hours, days, or weeks of service under any employee benefit plan, policy or  
15 bonus program sponsored by or available to employees of Defendant. Such amounts will not form the  
16 basis for additional contributions to, benefits under, or any other monetary entitlement under  
17 Defendant's sponsored benefit plans, policies, or bonus programs. The payments made under the terms  
18 of this Settlement Agreement shall not be applied retroactively, currently, or on a going forward basis,  
19 as salary, earnings, wages, or any other form of compensation for the purposes of any of Defendant's  
20 benefit plans, policies, or bonus programs. Defendant retains the right to modify the language of its  
21 benefits plans, policies, and bonus programs to reflect this intent and to make clear that any amounts  
22 paid pursuant to this Settlement Agreement are not for "hours worked," "weeks worked," "weeks paid,"  
23 "weeks of service," "years of service" or any similar measuring term as defined by applicable plans,  
24 policies, and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose,  
25 and that additional contributions or benefits are not required by or by virtue of the payments to be made  
26 pursuant to this Settlement Agreement. Defendant does not consider the Class Settlement payments  
27 "compensation" for purposes of determining eligibility for, or benefit accrual within, any benefit plans,  
28 policies, or bonus programs, or any other plan sponsored by Defendant or in which employees of

Defendant may participate. None of the payments called for by this Settlement Agreement shall be subject to matching contributions or included as benefits-eligible earnings under any benefit plan or policy applicable to any of the Released Parties' employees.

**1.5.8. CLASS ATTORNEYS' FEES AND EXPENSES**

As part of the motion for final approval of the Class Settlement, Class Counsel may apply for an award of Class Attorneys' Fees and Expenses with the fee portion not to exceed 35% of the Gross Settlement Amount (*i.e.*, \$875,000.00) and an award of costs and expenses incurred by Class Counsel. Notwithstanding the foregoing, the Court shall determine the amount of fees and costs payable to Class Counsel.

As a condition of this Class Settlement, Class Counsel have agreed to pursue fees only in the manner reflected by this subsection. Any Class Attorneys' Fees and Expenses awarded by the Court shall be paid from the Gross Settlement Amount prior to arriving at the Net Settlement Amount and shall not constitute payment to any Class Member. If Class Counsel voluntarily reduce the request for Class Attorneys' Fees and Expenses or the Court's award of Class Attorneys' Fees and Expenses is less than set forth above, the Net Settlement Amount shall be recalculated to reflect the actual Class Attorneys' Fees and Expenses awarded.

The Class Attorneys' Fees and Expenses approved by the Court shall reflect: (a) all work performed and costs and expenses incurred by, or at the direction of, the attorneys purporting to represent the Settlement Class through the date of this Settlement Agreement; (b) all work to be performed and costs to be incurred in connection with approval by the Court of the Class Settlement; (c) all work to be performed and costs and expenses, if any, incurred in connection with administering the Class Settlement through the Effective Date and final judgment; and (d) may be based on the "catalyst theory" and/or the "common fund doctrine."

**1.6. SETTLEMENT ADMINISTRATION**

**1.6.1. COSTS AND EXPENSES**

Subject to Court approval, all costs and expenses due to the Settlement Administrator in connection with its administration of the Class Settlement, including for the responsibilities set forth in Section 1.8 below, shall be paid from the Gross Settlement Amount.

1           **1.6.2. PAYMENT BY DEFENDANT**

2 Defendant shall issue a check or otherwise make payment of an amount equal to 50% of the Gross  
3 Settlement Amount (*i.e.*, \$1,250,000.00) and the associated Employer Taxes in a lump sum to the QSF  
4 to be administered by the Settlement Administrator no later than thirty (30) days after the Effective  
5 Date, and the Settlement Administrator shall, in turn, deposit that amount in an interest-bearing account  
6 for the benefit of the Class; provided, however, that such amount shall revert to Defendant in  
7 accordance with Section 1.9.1 below if the circumstances described in that Section occur. Defendant  
8 shall issue a check or otherwise make payment of the remaining 50% of the Gross Settlement Amount  
9 (*i.e.*, \$1,250,000.00) and the associated Employer Taxes in a lump sum to the QSF no later than 365  
10 days after the Court enters a final order and judgment certifying the Settlement Class and approving  
11 this Settlement Agreement, and the Settlement Administrator shall, in turn, deposit that amount in an  
12 interest-bearing account for the benefit of the Class; provided, however, that such amount shall revert  
13 to Defendant in accordance with Section 1.9.1 below if the circumstances described in that Section  
14 occur. In no event shall Defendant's obligations under this Settlement Agreement exceed  
15 \$2,500,000.00 plus the Employer Taxes. Plaintiff and Class Counsel acknowledge that Defendant has  
16 provided publicly-available financial information sufficient to justify the necessity of the payment  
17 schedule described herein.

18           **1.7. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION**  
19           **PROCESS**

20           **1.7.1. THE SETTLEMENT ADMINISTRATOR**

21 In addition to performing the functions set forth in Section 1.8, the Settlement Administrator will be  
22 responsible for the administration of all other aspects of the settlement contemplated by this Settlement  
23 Agreement and/or required by the Court, including but not limited to the following responsibilities:  
24 mailing the Class Notice (**Exhibit 1**) to Class Members; conducting an initial verification of Class  
25 Member addresses through the NCOA database; performing a skip trace search and seeking address  
26 corrections for any Class Member whose Class Notice is returned as undelivered by the United States  
27 Postal Service, and re-mailing such Class Notice to the corrected address (provided, however, that the  
28 Settlement Administrator shall attempt to re-mail such Class Notice only once); handling inquiries

1 from Class Members concerning the Class Notice; determining Individual Settlement Amounts;  
2 determining Individual PAGA Payment amounts for members of the PAGA Settlement Group;  
3 maintaining the settlement funds in an appropriate interest-bearing account; preparing, administering,  
4 and distributing Individual Settlement Payments to Class Participants; preparing, administering, and  
5 distributing Individual PAGA Payments to PAGA Settlement Group Members; distributing the portion  
6 of the PAGA Payment payable to the LWDA; issuing a final report and performing such other duties  
7 as the Parties may direct. Additionally, the Settlement Administrator will handle all tax document  
8 preparation and reporting, including state and federal tax forms, if any.

9 On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and Defense  
10 Counsel with summary information updating them as to the number of validated and timely objections,  
11 Workweek Disputes, and Opt Out requests. The Settlement Administrator will serve on Class Counsel  
12 and Defense Counsel via e-mail date-stamped copies of any Opt Out requests and objections no later  
13 than seven (7) days after their receipt.

14 No later than thirty (30) days prior to the Final Approval and Fairness Hearing, the Settlement  
15 Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary  
16 information regarding: (a) the total amount of the estimated Individual Settlement Amounts to be paid  
17 to each Class Participant; (b) the number of Class Participants to receive such payments, and (c) the  
18 final number of Opt-Outs and objections received.

19 **1.7.2. NOTICE TO CLASS MEMBERS**

20 Notice shall be provided to Class Members in the following manner: within twenty-eight (28) days  
21 after the Preliminary Approval Date, Defendant shall provide the Settlement Administrator with the  
22 Class Data and the PAGA Group Member Data for purposes of preparing and mailing notices and  
23 otherwise administering claims.

24 Within forty-two (42) days following the Preliminary Approval Date, the Settlement Administrator  
25 shall determine the number of Workweeks worked by each Class Member and the number of Pay  
26 Periods worked by each PAGA Settlement Group Member, populate the data in the Class Notice for  
27 each Class Member accordingly, and send each Class Member the Class Notice via first-class, United  
28 States mail. The Class Notice shall also contain an easily understood statement agreed upon by the

Parties alerting the Class Member that, unless he or she elects to Opt Out of the Class Settlement, the Class Member is releasing and waiving all Released Class Claims against the Released Parties.

**1.7.3. WORKWEEK DISPUTES**

Class Members may dispute the Workweeks and/or Pay Periods identified by the Settlement Administrator on their respective Class Notices (“Workweeks Dispute”). Class Member Workweeks and Pay Periods shall be calculated by the Settlement Administrator using the employment and payroll records of Defendant, which presumptively shall be deemed to be full, complete, and accurate for purposes of this Settlement Agreement. To overcome that presumption, any Class Member disputing the accuracy of the number of Workweeks and/or Pay Periods must submit documentary evidence, such as pay stubs or other written employment records, to the Settlement Administrator. Any such Workweeks Dispute must be mailed or faxed to the Settlement Administrator, postmarked or fax-stamped on or before the Response Deadline. The Settlement Administrator shall immediately provide copies of all Workweek Disputes to Defense Counsel, shall inform Class Counsel of the Workweeks Dispute without disclosing the identity of the Class Member making the dispute, and shall immediately attempt to resolve all such disputes directly with relevant Class Members with the assistance of Defendant, Defense Counsel, and Class Counsel. If the Workweeks Dispute cannot be resolved, it shall be submitted to the Settlement Administrator for decision, subject to Court approval. The Settlement Administrator shall use its best efforts to resolve all Workweeks Disputes prior to the Final Approval and Fairness Hearing. If, however, a Workweeks Dispute arises or is not resolved until after the Gross Settlement Amount has been distributed, the initial calculation shall stand (as Defendant shall be under no obligation to pay any amounts in excess of the Gross Settlement Amount under this Settlement Agreement).

**1.7.4. OPT OUT PROCEDURE**

To Opt Out of the Class Settlement, a Class Member must submit a letter to the Settlement Administrator by the Response Deadline. The Opt Out request must be signed and must state the Class Member’s name, address, and telephone number. The Opt Out request should state something to the effect of:

1 “I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE  
2 *RASHON HAYES V. THE CONTAINER STORE, INC.* LAWSUIT. I UNDERSTAND  
3 THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL  
4 NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS  
5 LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MAY HAVE.”

6 Any Opt Out request that is not postmarked or fax-stamped by the Response Deadline will be invalid.  
7 In the event that, prior to the Response Deadline, any Class Notice mailed to a Class Member is returned  
8 as having been undelivered by the United States Postal Service, the Settlement Administrator shall  
9 perform a skip trace search and seek an address correction for such Class Member, and a second Class  
10 Notice will be sent to any new or different address obtained. Such Class Members shall have an  
11 additional five (5) days from the Response Deadline in which to Opt Out.

12 It will be presumed that, if an envelope containing the Class Notice has not been returned within thirty  
13 (30) days of the mailing, the Class Member received the Class Notice. At least twenty-one (21) days  
14 prior to the Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class  
15 Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard  
16 to the mailing of the Class Notice and its attempts to locate Class Members. The declaration shall  
17 specify the number of Class Members to whom the Class Notice was sent and the number of Class  
18 Members to whom the Class Notice was not delivered, as well as information relating to the number  
19 of Opt-Outs and objections received. Class Counsel shall file this declaration with the Court.

20 If the Settlement Administrator determines that an Opt Out request returned by a Class Member before  
21 the Response Deadline is deficient, then the Settlement Administrator shall mail a deficiency letter to  
22 that Class Member identifying the problem. If a Class Member submits both a dispute of his, her, or  
23 their Workweeks and an Opt Out request, the Settlement Administrator shall make reasonable attempts  
24 to clarify the inconsistency with the Class Member. If the Class Member fails to resolve the  
25 inconsistency, the Opt Out request shall be deemed deficient and disregarded, the claim will be paid,  
26 and the Class Member will become bound by the judgment.

27 ///



1 Class Participants will be bound by the Release of Released Class Claims set forth in the definition of  
2 “Released Class Claims” provided in this Settlement Agreement. The Release of Released Class  
3 Claims shall be described in the Class Notice.

4 A request to Opt Out of the Class Settlement shall *not* serve to exclude the Class Member from  
5 participation in the PAGA Settlement Group. Opt-Outs shall still be entitled to their share of the PAGA  
6 Payment. Class Members who are also PAGA Settlement Group Members shall have no right or ability  
7 to opt out of the portion of this Settlement Agreement releasing the Released PAGA Claims.

8 **1.7.5. OBJECTION PROCEDURE**

9 The Class Notice shall inform the Class Members of their right to object to the Class Settlement. Any  
10 Class Member who wishes to object to the Class Settlement may submit a written objection to the Court  
11 no later than the Response Deadline. Only Class Participants may object to the Settlement. The  
12 objection should include (a) the case name and number, (b) the objector’s full name, signature,  
13 address, telephone number, and the last four digits of their Social Security number, and (c) must set  
14 forth, in clear and concise terms, a statement of the reasons why the objector believes that the Court  
15 should find that the proposed Class Settlement is not in the best interest of the Settlement Class and the  
16 reasons why the Class Settlement should not be approved, including the legal and factual arguments  
17 supporting the objection. If an objector also wishes to appear at the Final Approval and Fairness  
18 Hearing, in person or through an attorney, he or she may, but is not required to, do so.

19 **1.8. CLASS SETTLEMENT FUNDING AND DISTRIBUTION**

20 **1.8.1. CALCULATION OF THE INDIVIDUAL SETTLEMENT AMOUNTS FOR**  
21 **CLASS PARTICIPANTS**

22 For purposes of calculating the estimated Individual Settlement Amounts, the Settlement Administrator  
23 shall calculate the estimated Net Settlement Amount prior to sending the Class Notice to the Class  
24 Members. If any Class Member timely and validly Opts Out, his, her, or their share of the Class  
25 Settlement will be included in the final Net Settlement Amount used to calculate the final Individual  
26 Settlement Amounts and included in the distribution to the Class Participants. Prior to final distribution,  
27 the Settlement Administrator shall recalculate the final Net Settlement Amount, and the Individual  
28 ///

1 Settlement Amounts to be paid to Class Participants shall be paid from the final Net Settlement  
2 Amount.

3 Defendant will provide the Settlement Administrator with any information reasonably necessary to  
4 perform the calculation of number of Workweeks for each Class Member, and any other reasonably  
5 required information the Settlement Administrator requests to perform the calculations required under  
6 this Settlement Agreement. Defendant shall have no responsibility for deciding the validity of the  
7 Individual Settlement Amounts or any other payments made pursuant to this Settlement Agreement.

8 **1.8.2. CALCULATION OF THE INDIVIDUAL PAYMENTS FOR PAGA**  
9 **SETTLEMENT GROUP MEMBERS**

10 Each PAGA Settlement Group Member shall be entitled to receive a portion of the PAGA Payment.  
11 Defendant will provide the Settlement Administrator with any information reasonably necessary to  
12 perform the calculation of the number of Pay Periods worked by each PAGA Settlement Group  
13 Member during the PAGA Period, and any other reasonably required information the Settlement  
14 Administrator requests to perform the calculations required under this Settlement Agreement.  
15 Defendant shall have no responsibility for deciding the validity of the individual payment amounts  
16 allocated to each PAGA Settlement Group Member or any other payments made pursuant to this  
17 Settlement Agreement.

18 **1.8.3. TIME FOR PAYMENT OF ATTORNEY FEES AND EXPENSES**

19 The Settlement Administrator shall distribute to Class Counsel any attorneys' fees and expenses  
20 approved by the Court no later than ten (10) days after Defendant has paid the second 50% of the Gross  
21 Settlement Amount into the QSF and in keeping with the procedures described in Section 1.5.6.

22 **1.8.4. TIME FOR PAYMENT OF INCENTIVE AWARD**

23 The Settlement Administrator shall distribute to Plaintiff the Incentive Award approved by the Court  
24 no later than ten (10) days after Defendant has paid the first 50% of the Gross Settlement Amount into  
25 the QSF and in keeping with the procedures described in Section 1.5.6.

26 ///

27 ///

28 ///



**1.8.5. TIME FOR PAYMENT OF PAGA PAYMENT TO THE LWDA**

The Settlement Administrator shall distribute to the LWDA the portion of the PAGA Payment due to it and approved by the Court no later than ten (10) days after Defendant has paid the first 50% of the Gross Settlement Amount into the QSF and in keeping with the procedures described in Section 1.5.6.

**1.8.6. TIME FOR PAYMENT OF INDIVIDUAL SETTLEMENT AMOUNTS**

The Settlement Administrator shall make every effort to mail payment of 50% of the Individual Settlement Payment owed to each Class Participant, by first-class United States mail, to the last-known address no later than ten (10) days after Defendant issues the first 50% payment of the Gross Settlement Amount and shall make every effort to mail payment of the remaining 50% of the Individual Settlement Payment owed to each Class Participant, by first-class United States mail, to the last-known address no later than ten (10) days after Defendant issues the second 50% payment of the Gross Settlement Amount, and in keeping with the procedures described in Section 1.5.6. If the Settlement Administrator is not able to do so within the time period set forth above, it shall so inform Class Counsel and Defense Counsel and provide an approximate date by which the Individual Settlement Payments will be mailed. Under no circumstances shall the Settlement Administrator distribute checks to Class Participants until all Individual Settlement Amounts have been considered, calculated, and accounted for, and all of the remaining monetary obligations have been calculated and accounted for.

Within two hundred and ten (210) days of mailing the Individual Settlement Payments and Individual PAGA Payments to Class Participants and PAGA Settlement Group Members, the Settlement Administrator shall provide to Class Counsel a declaration of payment for filing with the Court. In the event that any Class Participant is deceased, payment shall be made payable to the estate of that Class Participant and delivered to the executor or administrator of that estate, unless the Settlement Administrator has received an affidavit or declaration pursuant to California Probate Code section 13101, in which case payment shall be made to the affiant(s) or declarant(s).

**1.8.7. NON-NEGOTIATED SETTLEMENT CHECKS**

Any checks that have not been negotiated within one hundred eighty (180) days of issuance will become void, and the amounts therefrom will be paid to the *cy pres*, Legal Aid at Work, in accordance with California Code of Civil Procedure section 384. Pursuant to Code of Civil Procedure section 384,

the Court shall set a date when Plaintiff shall report to the Court the total amount that was actually paid to Class Participants and PAGA Settlement Group Members. After this report is received, the Court shall amend the judgment and direct the Settlement Administrator to pay the sum of the unpaid residue or unclaimed or abandoned funds associated with cancelled checks, plus interest that has accrued on those funds (if any), to Legal Aid at Work. The Parties and their counsel each represent that they do not have any financial interest in the *cy pres* recipient or otherwise have a relationship with the *cy pres* recipient that could create a conflict of interest. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the cancellation of any Individual Settlement Payment checks or Individual PAGA Payment checks. For the purposes of determining whether Defendant has met its financial obligation under the Class Settlement, Defendant will be deemed to have fulfilled its obligation upon payment of the Gross Settlement Amount and Employer Taxes to the QSF, regardless of whether any Class Participant subsequently negotiates his, her, or their check.

**1.9. NULLIFICATION OF THIS SETTLEMENT AGREEMENT**

**1.9.1. NON-APPROVAL OF THIS SETTLEMENT AGREEMENT**

The Class Settlement and conditional class certification shall be considered null and void, and neither the Class Settlement, conditional class certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and all Parties to the Class Settlement shall stand in the same position, without prejudice, as if the Class Settlement had been neither entered into nor filed with the Court, if any of the following occurs: (a) the Court should for any reason fail to approve this Settlement Agreement in the form agreed to by the Parties, except as set forth in Section 1.13.1 below; (b) the Court should for any reason fail to enter a judgment dismissing the Action with prejudice, or (c) the approval of the Class Settlement and/or judgment is reversed, modified, or declared or rendered void. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in this Settlement Agreement.

Further, if the Effective Date should fail to occur for any reason—including, without limitation, because an appellate court reverses, invalidates, modifies, declares or renders void, or otherwise sets aside the Court's final order and judgment certifying the Settlement Class and approving this

Settlement Agreement—then any and all amounts that Defendant shall have previously paid to the QSF in accordance with Section 1.6.2 above, together with any interest earned, shall revert to Defendant, and the Settlement Administrator shall return such payment to Defendant within fourteen (14) days of the event that causes the Effective Date not to occur.

**1.9.2. DEFENDANT’S RIGHT TO VOID CLASS SETTLEMENT**

If 5% or more members of the Settlement Class timely submit Opt Out requests, Defendant shall have the unilateral right (but not the obligation) to void this Settlement Agreement.

**1.9.3. PLAINTIFF’S RIGHT TO VOID CLASS SETTLEMENT**

Defendant has represented that the workweeks between February 10, 2016 and February 15, 2024 are approximately 186,000. If the actual number of workweeks during this timeframe exceeds 186,000 by more than 10% (e.g. the actual number of workweeks is 204,601 or higher), Plaintiff shall have the unilateral right (but not the obligation) to void this Settlement Agreement.

Defendant has further represented that it has entered into arbitration agreements with individual Class Members representing approximately forty percent (40%) of the estimated 186,000 workweeks. If this representation is materially false, Plaintiff shall have the unilateral right (but not the obligation) to void this Settlement Agreement.

**1.9.4. INVALIDATION**

Except as set forth in Section 1.13.1 below, invalidation of any material portion of this Settlement Agreement shall invalidate the Class Settlement in its entirety, unless the Parties subsequently agree in writing that the remaining provisions of the Class Settlement are to remain in full force and effect. In the event that a court rules that any non-material provision of this Settlement Agreement is invalid or unenforceable, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Settlement Agreement.

**1.9.5. STAY ON APPEAL**

In the event of a timely appeal from the approval of the Class Settlement and judgment, the Parties shall proceed as though the judgment were stayed, and Defendant shall not be obligated to take any actions otherwise required by this Settlement Agreement unless the Effective Date occurs.

1           **1.10. MOTIONS FOR COURT APPROVAL**

2           **1.10.1. PRELIMINARY APPROVAL**

3   As soon as practicable after execution of this Settlement Agreement, Class Counsel will submit this  
4   Settlement Agreement to the Court along with a Motion for Preliminary Approval of the Class  
5   Settlement. Each Party shall cooperate to present the Class Settlement to the Court for preliminary  
6   approval in a timely fashion. As set forth in Section 1.12.3 below, Class Counsel will provide a  
7   reasonable opportunity for Defense Counsel to review the Motion for Preliminary Approval prior to  
8   filing with the Court.

9           **1.10.2. FINAL APPROVAL**

10   The Final Approval and Fairness Hearing shall be held before the Court. At the Final Approval and  
11   Fairness Hearing, Plaintiff shall move the Court for the entry of the final order approving the Settlement  
12   Agreement as being fair, reasonable, and adequate within the meaning of California Code of Civil  
13   Procedure section 382, and for the entry of a final judgment of the Action consistent with the terms of  
14   the Settlement Agreement and California Code of Civil Procedure section 382. Class Counsel and  
15   Defense Counsel shall submit to the Court such pleadings and/or evidence as may be required for the  
16   Court's determination. As set forth in Section 1.12.3 below, Class Counsel will provide a reasonable  
17   opportunity for Defense Counsel to review the Motion for Final Approval, including the [Proposed]  
18   Order Granting Final Approval of Class and Representative Action Settlement, and Judgment thereon,  
19   prior to filing with the Court.

20           **1.11. RELEASES AND WAIVERS**

21           **1.11.1. RELEASE OF CLASS CLAIMS BY THE SETTLEMENT CLASS**

22   Upon the Effective Date, Plaintiff and each Class Participant shall be deemed to release the Released  
23   Parties, and each of them, of and from any and all Released Class Claims. It is the desire of the Parties  
24   and the Releasing Parties to fully, finally, and forever settle, compromise, and discharge the Released  
25   Class Claims. Plaintiff and each Class Participant, will be bound by the release of Released Class  
26   Claims as a result of the Class Settlement and to the terms of the final judgment and the satisfaction of  
27   such judgment.

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**1.11.2. RELEASE OF CLAIMS BY THE PAGA SETTLEMENT GROUP**

Upon the Effective Date, the State of California, Plaintiff, and, to the maximum extent permitted by law, each of the PAGA Settlement Group Members, shall be deemed to release the Released Parties, and each of them, of and from the Released PAGA Claims relating or pursuant to PAGA during the PAGA Period. The State of California, Plaintiff, and, to the maximum extent permitted by law, each PAGA Settlement Group Member, will be bound by the release of the Released PAGA Claims as a result of the PAGA Settlement and to the terms of the final judgment and the satisfaction of such judgment. PAGA Settlement Group Members shall have no right or ability to opt out of the release of the Released PAGA Claims.

**1.11.3. RELEASE OF CLAIMS BY PLAINTIFF**

Plaintiff, individually and on behalf of himself and his dependents, heirs and assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity, shall and does hereby forever release, discharge and agree to hold harmless 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 and expenses (including attorneys' fees and costs), known or unknown, at law or in equity, which exist or may exist on Plaintiff's behalf as of the date he signs this Settlement Agreement, arising out of or in any way connected with Plaintiff's employment with Defendant including but not limited to the Released Class Claims, the Released PAGA Claims, claims that were asserted or could have been asserted in the Complaint, and any and all transactions, occurrences, or matters between the Parties occurring prior to the date Plaintiff executes this Settlement Agreement. Without limiting the generality of the foregoing, this release shall include, but not be limited to, any and all claims under: (a) the Americans with Disabilities Act; (b) Title VII of the Civil Rights Act of 1964; (c) the Civil Rights Act of 1991; (d) 42 U.S.C. § 1981; (e) the Age Discrimination in Employment Act; (f) the Fair Labor Standards Act; (g) the Equal Pay Act; (h) the Employee Retirement Income Security Act, as amended; (i) the Consolidated Omnibus Budget Reconciliation Act; (j) the Rehabilitation Act of 1973; (k) the Family and Medical Leave Act; (l) the Civil Rights Act

1 of 1966; (m) the California Fair Employment and Housing Act; (n) the California Constitution; (o) the  
2 California Labor Code; (p) the California Government Code; (q) the California Civil Code; and (r) any  
3 and all other federal, state, and local statutes, ordinances, regulations, rules, and other laws, and any  
4 and all claims based on constitutional, statutory, common law, or regulatory grounds, as well as any  
5 other claims based on theories of wrongful or constructive discharge, breach of contract or implied  
6 contract, fraud, misrepresentation, promissory estoppel, or intentional infliction of emotional distress,  
7 negligent infliction of emotional distress, or damages under any other federal, state, or local statutes,  
8 ordinances, regulations, rules, or laws. This release is for any and all relief, no matter how denominated,  
9 including, but not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages,  
10 tortious damages, liquidated damages, punitive damages, interest, damages for pain and suffering, and  
11 attorneys' fees and costs, and Plaintiff hereby forever releases, discharges and agrees to hold harmless  
12 Defendant and the Released Parties from any and all claims for attorneys' fees and costs arising out of  
13 the matters released in this Settlement Agreement.

14 Plaintiff specifically acknowledges that he is aware of and familiar with the provisions of California  
15 Civil Code section 1542, which provides as follows:

16 **"A general release does not extend to claims that the creditor or releasing party**  
17 **does not know or suspect to exist in his or her favor at the time of executing the**  
18 **release and that, if known by him or her, would have materially affected his or**  
19 **her settlement with the debtor or released party."**  
20

21 Plaintiff, being aware of California Civil Code section 1542, hereby expressly waives and relinquishes  
22 all rights and benefits he may have under section 1542 as well as any other statutes or common law  
23 principles of a similar effect. Plaintiff may hereafter discover facts in addition to or different from those  
24 which he now knows or believes to be true with respect to the subject matter of all the claims referenced  
25 herein, but agrees that, upon the Effective Date, Plaintiff shall and hereby does fully, finally, and  
26 forever settle and release any and all claims against the Released Parties, known or unknown, suspected  
27 or unsuspected, contingent or non-contingent, that were asserted or could have been asserted upon any  
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theory of law or equity without regard to the subsequent discovery of existence of such different or additional facts.

**1.11.4. CIRCULAR 230 DISCLAIMER**

Each Party to this Settlement Agreement (for purposes of this subsection, the “Acknowledging Party”; and each Party to this Settlement Agreement other than the Acknowledging Party, an “Other Party”) acknowledges and agrees that (1) no provision of this Settlement Agreement, and no written communication or disclosure between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10); (2) the Acknowledging Party (a) has relied exclusively upon his, her or its own independent legal and tax advisers for advice (including tax advice) in connection with this Settlement Agreement, (b) has not entered into this Settlement Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and (3) no attorney or adviser to any Other Party has imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement Agreement.

**1.12. DUTIES OF THE PARTIES**

**1.12.1. MUTUAL FULL COOPERATION**

The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Settlement Agreement. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by court order or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Class Counsel, with the cooperation of Defendant and

1 Defense Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of  
2 this Settlement Agreement.

3 **1.12.2. DUTY TO SUPPORT AND DEFEND THE CLASS SETTLEMENT**

4 The Parties agree to abide by all of the terms of this Settlement Agreement in good faith and to support  
5 the Class Settlement fully and to use their best efforts to defend this Class Settlement from any legal  
6 challenge, whether by appeal or collateral attack.

7 **1.12.3. DUTIES PRIOR TO COURT APPROVAL**

8 Class Counsel shall promptly submit this Settlement Agreement to the Court for preliminary approval  
9 and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon  
10 execution of this Settlement Agreement, Class Counsel shall apply to the Court for the entry of a  
11 preliminary order scheduling a hearing on the question of whether the proposed Class Settlement  
12 should be approved as fair, reasonable, and adequate as to the Class Members, approving as to form  
13 and content the proposed Class Notice attached hereto as **Exhibit 1** and directing the mailing of the  
14 Class Notice to Class Members. Class Counsel will provide a reasonable opportunity for Defense  
15 Counsel to review the Motions for Preliminary and Final Approval, including the [Proposed] Order  
16 Granting Final Approval of Class and Representative Action Settlement, and Judgment thereon, prior  
17 to filing with the Court. The Parties and their counsel will cooperate with each other and use their best  
18 efforts to effect the Court's approval of the Motions for Preliminary and Final Approval of the  
19 Settlement, and entry of judgment.

20 **1.13. MISCELLANEOUS PROVISIONS**

21 **1.13.1. COURT'S DISCRETION REGARDING ATTORNEYS' FEES, INCENTIVE**  
22 **AWARD, AND PAGA ALLOCATION**

23 The Court, in its discretion, shall decide (A) the amount of fees and costs payable to Class Counsel;  
24 (B) the amount of any Incentive Award payable to Plaintiff; (C) the amount of Administrative Expenses  
25 payable to the Settlement Administrator, and (D) whether to allocate greater than ten (10) percent of  
26 the Gross Settlement Payment to the PAGA Payment. The Parties agree that such decision(s) shall not  
27 render this Settlement Agreement, or the conditional class certification, null and void or invalid, and

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neither the Parties, Class Counsel, nor Defense Counsel will argue otherwise. Nothing in this Section shall be construed to permit the Court to change the amount of the Gross Settlement Amount.

**1.13.2. DIFFERENT FACTS**

The Parties acknowledge that, except for matters expressly represented herein, the facts in relation to the dispute and all claims released by the terms of this Settlement Agreement may turn out to be different from the facts now known by each Party and/or its counsel, or believed by such Party or counsel to be true, and each Party therefore expressly assumes the risk of the existence of different or presently unknown facts, and agrees that this Settlement Agreement shall be in all respects effective and binding despite such difference.

**1.13.3. NO PRIOR ASSIGNMENTS**

The Parties 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 right herein released and discharged except as set forth herein.

**1.13.4. NON-ADMISSION**

Nothing in this Settlement Agreement shall be construed as or deemed to be an admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing toward each other or any other person. Each of the Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. Nothing herein shall constitute any admission by Defendant and/or any of the Released Parties of wrongdoing or liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any admission by Defendant and/or any of the Released Parties regarding the merits of the claims in this Action, including but not limited to claims for reimbursement for business expenses or violations under California or federal law. Nothing herein shall constitute an admission by Defendant and/or any of the Released Parties, other than for settlement purposes, that the Action was properly brought as a class or representative action. To the contrary, Defendant and the Released Parties have denied and continue to deny each and every material factual allegation and all claims. To this end, the

1 Class Settlement of the Action, the negotiation and execution of this Settlement Agreement, and all  
2 acts performed or documents executed pursuant to or in furtherance of this Settlement Agreement or  
3 the Class Settlement are not, shall not be deemed to be, and may not be used as, an admission or  
4 evidence of any wrongdoing or liability on the part of Defendant and/or any of the Released Parties or  
5 of the truth of any of the factual allegations in the Complaint in the Action; and are not, shall not be  
6 deemed to be, and may not be used as, an admission or evidence of any fault or omission on the part  
7 of Defendant and/or any of the Released Parties in any civil, criminal, or administrative proceeding in  
8 any court, administrative agency, or other tribunal.

9 **1.13.5. NON-EVIDENTIARY USE**

10 Neither this Settlement Agreement nor any of its terms, nor any statements or conduct in the negotiation  
11 or drafting of it, shall be offered or used as evidence by Plaintiff, any Class Member (including any  
12 individual who may request to be excluded from the Settlement Class), Defendant, or its, her, his, or  
13 their respective counsel, in the Action or in any other action, except as is reasonably necessary to  
14 effectuate the Settlement Agreement's purpose and terms. This Settlement Agreement may, however,  
15 be used by Defendant and the Released Parties to prove or defend against any claim released herein by  
16 any Class Member in any judicial, quasi-judicial, administrative, or governmental proceeding.

17 **1.13.6. COMMUNICATIONS**

18 Plaintiff and Defendant, and their respective counsel, agree that they will not issue any press releases  
19 or make affirmative efforts to contact reporters in connection with the Settlement. Any and all  
20 advertisements on any websites, social media, and/or promotional materials shall be limited to publicly  
21 available information.

22 **1.13.7. NON-RETALIATION**

23 Defendant understands and acknowledges that it has a legal obligation not to retaliate against any Class  
24 Member who elects to participate in the Class Settlement or elects to Opt Out of the Class Settlement.

25 **1.13.8. CONSTRUCTION**

26 The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy,  
27 intensive, arms-length, non-collusive negotiations between the Parties and that this Settlement  
28 Agreement is not to be construed in favor of or against any Party by reason of the extent to which any

1 Party or its counsel participated in the drafting of this Settlement Agreement. If any of the dates in this  
2 Settlement Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the  
3 next business day.

4 **1.13.9. GOVERNING LAW**

5 This Settlement Agreement is intended to and shall be governed by the laws of the State of California,  
6 without regard to conflict of law principles, in all respects, including execution, interpretation,  
7 performance, and enforcement.

8 **1.13.10. NOTICES**

9 Except for Class Notices required to be made by the Settlement Administrator, all notices or other  
10 communications required or permitted under this Settlement Agreement shall be in writing and shall  
11 be sufficiently given if delivered in person to the Party or their counsel by U.S. certified mail, postage  
12 prepaid, e-mail, facsimile, or overnight delivery addressed to the address of the Party appearing in this  
13 Settlement Agreement.

14 **1.13.11. CAPTIONS AND INTERPRETATIONS**

15 Section titles or captions contained herein are inserted as a matter of convenience and for reference  
16 only and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any  
17 provision thereof.

18 **1.13.12. MODIFICATION**

19 Except as set forth in Section 1.13.1, this Settlement Agreement may not be changed, altered, or  
20 modified, except in writing signed by the Parties. If preliminary or final approval of this Settlement  
21 Agreement has been granted by the Court, then any such amendments or modifications to this  
22 Settlement Agreement shall be approved by the Court. This Settlement Agreement may not be  
23 discharged except by performance in accordance with its terms or by a writing signed by the Parties.

24 **1.13.13. INTEGRATION CLAUSE**

25 This Settlement Agreement contains the entire agreement between the Parties relating to the Class  
26 Settlement of the Action and the transactions contemplated thereby, and all prior or contemporaneous  
27 agreements, understandings, representations, and statements, whether oral or written, and whether by

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1 a Party or such Party's legal counsel, are hereby superseded. No rights under this Settlement Agreement  
2 may be waived except in writing as provided above.

3 **1.13.14. SUCCESSORS AND ASSIGNS**

4 This Settlement Agreement shall be binding on and inure to the benefit of the Parties and Class  
5 Participants and their respective present and former heirs, trustees, executors, administrators,  
6 representatives, officers, directors, shareholders, agents, employees, insurers, attorneys, accountants,  
7 auditors, advisors, consultants, pension plans, welfare benefit plans, fiduciaries, parent companies,  
8 subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and assigns.

9 **1.13.15. CORPORATE SIGNATORIES**

10 Any person executing this Settlement Agreement or any such related document on behalf of a corporate  
11 signatory or on behalf of a partnership hereby warrants and promises, for the benefit of all Parties  
12 hereto, that such person has been duly authorized by such corporation or partnership to execute this  
13 Settlement Agreement or any such related document.

14 **1.13.16. EXECUTION IN COUNTERPARTS**

15 This Settlement Agreement shall become effective upon its execution by all of the undersigned. The  
16 Parties may execute this Settlement Agreement in counterparts, and execution of counterparts shall  
17 have the same force and effect as if all Settling Parties had signed the same instrument.

18 **1.13.17. ATTORNEYS' FEES, COSTS, AND EXPENSES**

19 Except as otherwise specifically provided for herein, each Party shall bear his or its own attorneys'  
20 fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action and  
21 shall not seek reimbursement thereof from any other Party to this Settlement Agreement.

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**1.14. EXECUTION**

The Parties and their counsel have executed this Settlement Agreement on the date adjacent to their signatures. The date of this Settlement Agreement shall be the date of the latest signature.

Approval and Execution by Parties

**CLASS REPRESENTATIVE:**

Dated: 10/19/2024

Electronically Signed 2024-10-19 03:59:17 UTC - 172.56.34.20  
  
 XmteX AssureSign® 22414ec1-72af-4064-9f45-9209014c77a4

Rashon Hayes  
 Plaintiff and Class Representative

**DEFENDANT:**

Dated: 10/18/2024

The Container Store, Inc.

Tasha Grinnell

By: Tasha Grinnell  
 Title: Chief Legal Officer

**APPROVED AS TO FORM BY COUNSEL****CLASS COUNSEL:**

Dated: October 21, 2024

**LAWYERS for JUSTICE, PC**



Edwin Aiwanian  
 Arby Aiwanian  
 Elizabeth Parker-Fawley  
 Attorneys for Plaintiff

**DEFENDANT'S COUNSEL:**

Dated: 10/18/2024

**Sidley Austin LLP**

Natali Wyson

Wendy Lazerson  
 Natali Wyson  
 Attorneys for Defendant