

**MEMORANDUM OF UNDERSTANDING (Class and PAGA)**

1. Class Definition – All non-exempt employees who are or previously were employed by Subrtex Houseware Inc. (“Defendant”) and performed work in California during the Class Period. The Class Period is defined as the period from July 3, 2019 to May 21, 2024. There are 98 Class Members who worked for Defendant during the Class Period.
2. Aggrieved Employee Definition – All non-exempt employees who are or previously were employed by Subrtex Houseware Inc. and performed work in California during the PAGA Period. The PAGA Period is defined as the period from April 26, 2022 to May 21, 2024. There are 62 Aggrieved Employees who worked 1404 Pay Periods during the PAGA Period.
3. Class Counsel –JCL Law Firm, APC and Zakay Law Group, APLC
4. Plaintiff – The Plaintiff is Manuel Garcia.
5. Enforceability – The Parties intend this MOU to be admissible and binding under California Code of Civil Procedure Section 664.6.
6. Gross Settlement Amount – Defendant shall pay out the total sum of \$200,000.00 for payment of all claims, including payment of Claims Administration Expenses; Attorneys’ Fees; Attorneys’ Expenses; Service Award(s), the PAGA Payment and all Class Member Settlement Payments. The Gross Settlement Amount shall be all-in with no reversion to Defendant(s). The employer's share of payroll taxes shall not be paid from the Gross Settlement Amount and shall remain the sole responsibility of Defendant(s).
7. Settlement Allocation – The Net Settlement Amount (Gross Settlement Amount minus (a) Claims Administration Expenses; (b) Attorneys’ Fees; Attorneys’ Expenses; (c) Service Award(s), and (d) the PAGA Payment) shall be allocated to the Class Members for the

resolution of their class claims (“Class Member Settlement Payments”). The Class Members Settlement Payments shall be paid based on the number of workweeks worked during the Class Period without the need to submit a claim form. “Workweeks” shall mean any seven (7) consecutive days beginning on Sunday and ending on Saturday, in which a Class Member is employed by Defendant(s) during the Class Period in California. The Workweeks will be calculated by the Settlement Administrator based on the Class Data and will be presumed to be correct, unless a particular Class Member proves otherwise to the Claim Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Claims Administrator, and the Claims Administrator’s decision on all Workweek disputes will be final.

8. Service Award – Defendants shall not oppose a service award to Plaintiff in the amount of \$5,000.
9. Plaintiff’s Individual Settlement Payment and General Release of Claims. Separate from and in addition to the Gross Settlement Amount, Defendant agrees to pay Plaintiff an individual settlement payment in the amount of \$25,000 In exchange for Plaintiff’s Individual Settlement Payment, the Plaintiff releases and discharges all Released Parties from any and all claims, including but not limited to: any and all wage-and-hour claims arising under the laws of the State of California, including, without limitation, statutory, constitutional, contractual, and/or common law claims for wages, damages, restitution, unreimbursed expenses, equitable relief, penalties, liquidated damages, interest, and/or punitive damages (including, without limitation, claims under any applicable Industrial Welfare Commission Wage Order, the California Private Attorneys General Act, or any other provision of the California Labor Code); Title VII of the Civil Rights Act of 1964;

42 U.S.C. § 1981; the Americans With Disabilities Act; Sections 503 and 504 of the Rehabilitation Act of 1973; the Family Medical Leave Act; the Fair Labor Standards Act; the Employee Retirement Income Security Act; the Occupational Safety and Health Act; the Worker Adjustment and Retraining Notification Act, as amended; the California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 et seq.); the California Fair Employment and Housing Act; any state, civil, or statutory laws, including any and all human rights laws and laws against discrimination; any claims that could have been alleged in the Action; and any other federal, state, or local statutes, codes, or ordinances; any common law, contract law, or tort law cause of action; and any claims for interest, attorneys' fees, and/or costs. This release does not extend to claims that cannot be released as a matter of law. The Parties will enter into a separate, confidential individual settlement agreement addressing Plaintiff's Individual Settlement Payment and the General Release provided for herein. This release expressly excludes claim alleged in the Action.

10. PAGA Payment – The PAGA payment of \$10,000 shall be made from the Gross Settlement Amount, with 25% of the payment going to the California Class Members and 75% of the payment going to the LWDA.
11. Claims Administration Expenses - Claims Administrator shall be mutually agreed to by the Parties. Claims Administration Expenses shall not exceed the estimate of the Claims Administrator to administrate the settlement. The Claims Administration Expenses shall include certified Spanish translation of the class notice.
12. Workweek Information – It is estimated that there are approximately 93 Class Members who worked approximately 5,408 workweeks during the Class Period. The Parties acknowledge and agree that this data (and other information provided by Defendant(s) for

purposes of mediation) was relied on to extrapolate and reach an arms-length negotiation. Defendant will provide a declaration under penalty of perjury confirming the number of applicable Class Members and workweeks they worked during the applicable Class Period one week prior to Plaintiffs' deadline to file their motion for preliminary approval of the settlement. Should the number of workweeks increase by more than 10% of what was represented at the mediation during the Class Period, the Gross Settlement Amount will increase proportionally for the number of workweeks over 110% of 5,408, for example, if the total workweeks in the Class Period are 115% of 5,408, the Gross Settlement Amount shall increase by 5%.

13. Attorneys' Fees – Defendant agrees not to oppose an Attorneys' Fees request up to 1/3 of the Gross Settlement Amount.
14. Attorneys' Expenses – Defendant agrees not to oppose Attorneys' Expenses of up to \$25,000.
15. Released Class Claims: Upon entry of final judgment and funding of the Gross Settlement Amount, the Defendant shall be entitled to a release from the Class Members of all class claims alleged, or reasonably could have been alleged based on the facts alleged, in the operative complaint in the *Manuel Garcia v. Subrtex Houseware Inc.*, (Los Angeles County Superior Court Case No. 23STCV15402) action (the "Action") which occurred during the Class Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period.
16. Released PAGA Claims. Upon entry of final judgment and funding of the Gross Settlement Amount, the Defendant shall be entitled to a release from the PAGA Class Members of all

PAGA claims alleged in the operative complaint in the Action and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period.

17. Drafting Settlement Documents – Class Counsel shall draft settlement documents for distribution within forty-five (45) days of the execution of this Memorandum. Class Counsel shall draft and file a motion for preliminary approval within seventy-five (75) days.
18. Opt Out / Objection Period – The Class Members shall have 45 days from the date the notice is first mailed in which to object to or exclude themselves from the settlement.
19. Payments - Defendant will pay to the Claims Administrator the Gross Settlement Amount, including payment for all claims, payment of Claims Administration Expenses, Attorneys' Fees, Attorneys' Expenses, Service Award, and PAGA Payment as follow: (1) Defendant shall deposit \$50,000 within 30 days of signing the MOU into a Qualified Settlement Fund; (2) Defendant shall make a second deposit of \$50,000 within 90 days of making the first installment deposit; (3) Defendant shall make a third installment deposit of \$75,000 within 30 days after Final Approval of the Settlement; and (4) Defendant shall make a fourth and final installment deposit of \$50,000 within six months of the third installment deposit. Defendant shall produce any financial documents and declarations necessary to get the Court to approve the payment plan.
20. Workweek Calculation - Claims Administrator will calculate the number of Workweeks (as defined above) worked by Class Members during the Class Period and the amount to

be paid to Class Members per workweek based on information to be provided by Defendant. The Workweeks will be calculated based on Defendant's workweek data and will be presumed to be correct, unless a particular Class Member proves otherwise to the Claim Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Claims Administrator, and the Claims Administrator's decision on all Workweek disputes will be final and non-appealable.

21. Uncashed Checks – All checks mailed to the Class Members that are not cashed within 180 days of payment shall be paid to either a Cy Pres, in accordance with CCP 384, or the State Controller, as agreed by the Parties as part of the long-form settlement agreement and/or as required by the specific judge handling the pending matter.
22. Disputes – Any dispute between the parties as to the remaining terms of the settlement agreement shall be presented to the mediator for resolution.
23. Execution in Counterparts - This Agreement may be executed in one or more counterparts by facsimile, electronic signature, or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
21. Court Filings - The parties agree not to object to any Court filings consistent with this Agreement.
22. Continuing Jurisdiction - The Parties agree that the Los Angeles County Superior Court shall retain continuing jurisdiction over this case under CCP Section 664.6 to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this action to trial under CCP Section 583.310 shall be extended from the

date of the signing of this agreement by all parties until the entry of the final approval order and judgment or if not entered the date this agreement shall no longer be of any force or effect.

Accepted and agreed to this 12th day of July, 2024.

IT IS SO AGREED TO AS TO FORM AND CONTENT BY PLAINTIFF:


Dated: 07/29/2024

Manuel Garcia  
Manuel Garcia (Jul 29, 2024 12:28 PDT)  
Plaintiff Manuel Garcia

Dated: July 29, 2024

  
Shani O. Zakay, Esq.  
Zakay Law Group, APLC  
Attorney for Plaintiff

Dated: July 29, 2024

  
Jean-Claude Lapuyade, Esq.  
The JCL Law Firm, APC  
Attorney for Plaintiff

IT IS SO AGREED TO AS TO FORM AND CONTENT BY DEFENDANT:

Dated: 7/26/2024

HR:

A handwritten signature in cursive script, appearing to read "Loping King", written in black ink on a light-colored background.

For Defendant  
Subrtex Houseware Inc.

Dated: July 12, 2024

A handwritten signature in cursive script, appearing to read "Edward Wells", written in black ink on a light-colored background.

Edward Wells, Esq.  
Innovating Legal Services, P.C.  
Attorney for Defendant