[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

This matter having come before the Honorable Stuart M. Rice of the Superior Court of the State of California, in and for the County of Los Angeles, at 10:30 a.m. on October 30, 2024, with the JCL Law Firm, APC and Zakay Law Group, APLC as counsel for plaintiff MANUEL GARCIA ("Plaintiff"), and Innovative Legal Services, P.C. appearing for Defendant Subrtex Houseware Inc. (hereinafter "Defendant"). The Court, having carefully considered the briefs, argument of counsel and all the matters presented to the Court, and good cause appearing, hereby GRANTS Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement.

IT IS HEREBY ORDERED:

- 1. The Court preliminarily approves the First Amended Class Action and PAGA Settlement Agreement and Class Notice ("Agreement"), a true and correct copy of which is attached to the Third Supplemental Declaration of Jaclyn Joyce, Esq., as **Exhibit "1".** This is based on the Court's determination that the Agreement is within the range of possible final approval, pursuant to the provisions of Section 382 of the California Code of Civil Procedure and California Rules of Court, rule 3.769.
- 2. This Order incorporates by reference the definitions in the Agreement, and all terms defined therein shall have the same meaning in this Order as set forth in the Agreement.
- 3. Subject to the terms of the Agreement, the Gross Settlement Amount that Defendant shall pay is Two Hundred Thousand Dollars and Zero Cents (\$200,000.00). It appears to the Court on a preliminary basis that the settlement amount and terms are fair, adequate, and reasonable as to all Class Members when balanced against the probable outcome of further litigation relating to certification, liability, and damages issues. It further appears that investigation and research have been conducted such that counsel for the Parties are able to reasonably evaluate their respective positions. It further appears to the Court that settlement at this time will avoid substantial additional costs by all Parties, as well as avoid the delay and risks that would be presented by the further prosecution of the litigation. It further appears that the Settlement has been reached as the result of intensive, serious, and non-collusive arms-length negotiations.
- 4. Upon final approval of the settlement, the entire Net Settlement Amount will be paid to Participating Class Members who do not opt out of the Settlement. The "Net Settlement Amount"

means the Gross Settlement Amount (\$200,000.00) less the PAGA Payment (\$10,000.00), Class Representative Payment (\$5,000.00), Attorneys' Fees (\$66,666.66) and Litigation Costs (\$25,000.00), and the Administration Expenses Payment (\$6,000.00). The Net Settlement Amount is approximately \$87,333.34.

- 5. The Court preliminarily finds that the Settlement appears to be within the range of reasonableness of a settlement that could ultimately be given final approval by this Court. The Court has reviewed the monetary recovery that is being granted as part of the Settlement and preliminarily finds that the monetary settlement awards made available to the Class Members are fair, adequate, and reasonable when balanced against the probable outcome of further litigation relating to certification, liability, and damages issues.
- 6. Plaintiff seeks Attorneys' Fees and Litigation Costs in the amount of up to Ninety-One Thousand Six Hundred Sixty-Six Dollars And Sixty-Six Cents (\$91,666.66), comprised of attorneys' fees equal to one-third of the Gross Settlement Amount estimated to be Sixty-Six Thousand Six Hundred Sixty-Six Dollars And Sixty-Six Cents (\$66,666.66) and *up to* Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) for actually incurred litigation expenses which shall be supported by evidence at the time of final approval, and proposed Class Representative Payment to the Class Representative, Manuel Garcia, in an amount not to exceed Five Thousand Dollars and Zero Cents (\$5,000.00). While these awards appear to be within the range of reasonableness, the Court will not approve the Attorneys' Fees and Litigation Costs, or Class Representative Payment until the Final Approval Hearing. Class Counsel will provide specific evidence justifying their requested Attorneys' Fees and Litigation Costs at the time of final approval.
- 7. The Court recognizes that Plaintiff and Defendant stipulate and agree to certification of a class for settlement purposes only. This stipulation will not be deemed admissible in this, or any other proceeding should this Settlement not become final. For settlement purposes only, the Court conditionally certifies the following Class:

"All non-exempt employees who are or previously were employed by Defendant Subrtex Houseware, Inc. and performed work in California during the period of July 3, 2019, through May 21, 2024."

- 8. The Court concludes that, for settlement purposes only, the Class meets the requirements for certification under section 382 of the California Code of Civil Procedure in that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class Members is impracticable; (b) common questions of law and fact predominate, and there is a well-defined community of interest amongst the Class Members with respect to the subject matter of the litigation; (c) the claims of the Class Representative are typical of the claims of the Class Members; (d) the Class Representative will fairly and adequately protect the interests of the Class Members; (e) a class action is superior to other available methods for the efficient adjudication of this controversy; and (f) Class Counsel are qualified to act as counsel for the Class Representative in his individual capacity and as the representative of the Class Members.
- 9. The Court provisionally appoints plaintiff Manuel Garcia as the representative of the Class.
- 10. The Court provisionally appoints Jean-Claude Lapuyade, Esq., of the JCL Law Firm, A.P.C., and Shani Zakay, of the Zakay Law Group, APLC, as Class Counsel for the Class Members.
- 11. The Court hereby approves, as to form and content, the Proposed Class Notice attached to the Agreement as Exhibit "A". The Court finds that the notice appears to fully and accurately inform the Class Members of all material elements of the proposed Settlement, including the right of any Class Member to be excluded from the Class by submitting a written request for exclusion, and of each Class Member's right and opportunity to object to the Settlement. The Court further finds that the distribution of the notices substantially in the manner and form set forth in the Agreement and this Order meets the requirements of due process, is the most reasonable notice under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto. The Court orders the mailing of the notices by first class mail, pursuant to the terms set forth in the Agreement.
- 12. The Court hereby appoints Apex Class Action, LLC as Administrator. Within fifteen (15) days of the later of preliminary approval or court approval of Settlement notice to the class, Defendant shall provide to the Administrator the Class Data, including information regarding Class Members that Defendant will in good faith compile from its records, including the Class Member's full name, last-known mailing address, Social Security number, telephone number, and number of Class

Period Workweeks and PAGA Pay Periods. Within fourteen (14) calendar days after receiving the Class Data from Defendant, the Administrator shall mail the Class Notice to all identified, potential Class Members via first class U.S. Mail using the most current mailing address information available.

- 13. The Court hereby preliminarily approves the proposed procedure for exclusion from the Settlement. Any Class Member may individually choose to opt out of and be excluded from the Settlement as provided in the Notice by following the instructions for requesting exclusion from the Settlement of the Released Class Claims that are set forth in the Notice. All requests for exclusion must be postmarked or received by the Response Deadline which is forty-five (45) calendar days after the date the Class Notice is mailed to the Class Members or, in the case of a re-mailed Notice, not more than fourteen (14) calendar days from the date of re-mailing of the Notices. Any such person who chooses to opt out of and be excluded from the Settlement will not be entitled to an Individual Class Payment under the Settlement and will not be bound by the Settlement, or have any right to object, appeal or comment thereon. Class Members who have not requested exclusion shall be bound by all determinations of the Court, the Agreement and Judgment. A request for exclusion may only opt out that particular individual, and any attempt to affect an opt-out of a group, class, or subclass of individuals is not permitted and will be deemed invalid.
- 14. Any Class Member who has not opted out may appear at the final approval hearing and may object or express the Class Member's views regarding the Settlement and may present evidence and file briefs or other papers that may be proper and relevant to the issues to be heard and determined by the Court as provided in the Notice. Class Members will have forty-five (45) calendar days from the date the Administrator mails the Class Notice to postmark their written objections to the Administrator.
- 15. A hearing on Plaintiff's Motion for Final Approval and Motion for Attorneys' Fees and Litigation Costs shall be held before this Court on <u>April 11, 2025</u>, at <u>10:30</u> AM in Department 1 of the Los Angeles County Superior Court to determine all necessary matters concerning the Settlement, including: whether the proposed settlement of the Action on the terms and conditions provided for in the Agreement is fair, adequate and reasonable and should be finally approved by the Court; whether an Order Granting Final Approval should be entered herein; whether the plan of allocation contained in the Agreement should be approved as fair, adequate and reasonable to the Class; and to finally

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approve the Attorneys' Fees and Litigation Costs, Class Representative Payment, and the Administration Expenses Payment. All papers in support of the motion for final approval and the motion for Attorneys' Fees and Litigation Costs and Class Representative Payment shall be filed with the Court and served on all counsel no later than sixteen (16) court days before the hearing.

- 16. Neither the Settlement nor any exhibit, document, or instrument delivered thereunder shall be construed as a concession or admission by Defendant in any way, and shall not be used as evidence of, or used against Defendant as an admission or indication in any way, including with respect to any claim of any liability, wrongdoing, fault, or omission by Defendant or with respect to the truth of any allegation asserted by any person. Whether or not the Settlement is finally approved, neither the Settlement, nor any exhibit, document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts thereof, shall in any event be construed as, offered or admitted in evidence as received as or deemed to be evidence for any purpose adverse to the Defendant, including, but not limited to, evidence of a presumption, concession, indication or admission by Defendant of any liability, fault, wrongdoing, omission, concession or damage.
- 17. In the event the Settlement does not become effective in accordance with the terms of the Agreement, or the Settlement is not finally approved, or is terminated, canceled, or fails to become effective for any reason, this Order shall be rendered null and void and shall be vacated, and the Parties shall revert to their respective positions as of before entering into the Agreement. In such an event, the Court's orders regarding the Settlement, including this Preliminary Approval Order, shall not be used or referred to in litigation for any purpose. Nothing in this paragraph is intended to alter the terms of the Agreement with respect to the effect of the Agreement if it is not approved.
- 18. Pending final determination of whether the Settlement should be approved, Class Representative and all Class Members are barred and enjoined from filing, commencing, prosecuting, intervening in, instigating or in any way participating in the commencement or prosecution of any lawsuit, action or administrative, regulatory, arbitration or other proceeding, in any forum, asserting any claims that are, or relate in any way to, the Released Class Claims, unless and until they submit a timely request for exclusion pursuant to the Agreement.

| 1 | 19. The Court reserves the right to | adjourn or continue the date of the final approval hearing |
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| 2 | and all dates provided for in the Agreement without further notice to Class Members and retain | |
| 3 | jurisdiction to consider all further applications arising out of or connected with the proposed Settlemen | |
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