

1 Elliot J. Siegel (Bar No. 286798)  
2 elliot@kingsiegel.com  
3 Julian Burns King (Bar No. 298617)  
4 julian@kingsiegel.com  
5 **KING & SIEGEL LLP**  
6 724 South Spring Street, Suite 201  
7 Los Angeles, California 90014  
8 tel: (213) 465-4802  
9 fax: (213) 289-2815

10 Attorneys for Plaintiff and the Settlement Class

11 David C. Hawkes  
12 dhawkes@bkflaw.com  
13 **BLANCHARD, KRASNER & FRENCH**  
14 800 Silverado Street, 2<sup>nd</sup> Floor  
15 La Jolla, CA 92037  
16 Telephone: (858) 551-2440

17 Attorneys for Defendants

18 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
19 **FOR THE COUNTY OF LOS ANGELES**

20 **Mercedes Castro**, individually and on behalf of all  
21 similarly situated individuals,

22 Plaintiff,

23 vs.

24 **Reseda Discount Corporation**, a California non-  
25 profit corporation; and **Does 1-10**, inclusive;

26 Defendants.

CASE NO. 22STCV36812

[Assigned to Honorable Lawrence Riff,  
Department 7]

**CLASS ACTION**

**JOINT STIPULATION OF SETTLEMENT  
AND RELEASE OF CLASS ACTION**

Complaint Filed: November 21, 2022

Trial Date: None Set

1 This Joint Stipulation of Settlement and Release of Class Action (“Agreement” or “Settlement  
2 Agreement”) is made and entered into by and between Plaintiff Mercedes Castro (“Plaintiff” or “Class  
3 Representative”), as an individual and on behalf of all others similarly situated, and Defendants Reseda  
4 Discount Corporation and RDC Collective Corp. (“Defendants”). Plaintiff and Defendants may be  
5 referred to herein as the “Parties,” singularly as a “Party,” or by their designated names.

6 This Agreement is subject to the approval of the Court, pursuant to California Rules of Court,  
7 Rule 3.769(c), (d), and (e), and is made for the sole purpose of attempting to consummate settlement of  
8 the Action on a class-wide basis subject to the following terms and conditions.

9 This Settlement Agreement shall be binding on Plaintiff, the Settlement Class, and the Aggrieved  
10 Employees, on the one hand, and Defendants, on the other hand, subject to the terms and conditions  
11 herein and the approval of the Court.

#### 12 RECITALS

13 1. Plaintiff filed her complaint on November 21, 2022 against Defendants in the Los Angeles  
14 County Superior Court. Plaintiff’s lawsuit, entitled *Mercedes Castro v. Reseda Discount Corporation*, Case  
15 Number No. 22STCV36812 (“Action”), sets forth the following class-wide causes of action: (1) failure  
16 to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or premium  
17 pay in lieu thereof; (4) failure to reimburse necessary business expenses; (5) failure to provide and  
18 maintain complete and accurate records; (6) failure to timely pay wages during employment; (7) failure  
19 to timely pay wages after employment; (8) civil penalties under the Labor Code Private Attorneys  
20 General Act of 2004, Cal. Lab. Code §§ 2698, *et seq.* (“PAGA”); and (9) Unlawful Business Practices,  
21 Cal. Bus. & Prof. Code §§ 17200, *et seq.* To effectuate the release intended by the Parties, Plaintiff will  
22 file an amended complaint and submit an amended PAGA letter identifying RDC Collective Corp. as an  
23 additional Defendant.

24 2. Defendants deny all material allegations set forth in the Action and have asserted  
25 numerous affirmative and other defenses in response to all claims, including the Class, PAGA, and  
26 individual claims alleged in the Action.

27 3. Notwithstanding the foregoing and in the interest of avoiding further litigation, the  
28 Parties desire to fully and finally settle all actual or potential class, individual, and PAGA claims as

1 pleaded in the operative Complaint or that could have been pleaded in the operative Complaint and this  
2 Action.

3 4. This Settlement Agreement is made and entered into by and between Plaintiff  
4 individually, as a proxy for the State of California, and on behalf of all other allegedly similarly situated  
5 and Aggrieved Employees and Settlement Class Members on the one hand, and Defendants on the other  
6 hand. This Settlement Agreement is subject to the terms and conditions herein, as well as the Court’s  
7 approval. The Parties expressly acknowledge that this Agreement is entered into solely for the purpose  
8 of compromising disputed claims, and that nothing herein is an admission of any liability or wrongdoing  
9 by Defendants. The monies being paid as part of this settlement are genuinely disputed, and the Parties  
10 agree that the provisions of Labor Code section 206.5 are not applicable to this Settlement Agreement.

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

14 6. On June 8, 2023, the Parties participated in a full-day mediation before David L. Perrault  
15 of Judicate West (the “Mediator”), a well-respected mediator in the field of employment law and wage-  
16 and-hour class and PAGA actions. At the mediation, the Parties agreed to the principal terms of a class  
17 action and PAGA settlement and entered into a Memorandum of Agreement (“MOA”) setting forth  
18 those terms.

19 7. The settlement discussions before, during, and after mediation were conducted at arm’s  
20 length, and the settlement of the Action is the result of an informed and detailed analysis of Plaintiff’s  
21 claims and Defendants’ potential liability in relation to the costs and risks associated with continued  
22 litigation.

23 **DEFINITIONS**

24 The following definitions are applicable to this Settlement Agreement. Definitions contained  
25 elsewhere in this Settlement Agreement will also be effective:

26 1. “**Action**” means *Mercedes Castro v. Reseda Discount Corporation*, Los Angeles County  
27 Superior Court Case Number No. 22STCV36812.

28 2. “**Aggrieved Employee(s)**” means those Class Members who worked during the PAGA

1 Release Period and are entitled to an Individual PAGA Payment under the terms of this Settlement.

2 3. **“Class Counsel’s Fees and Costs”** means attorneys’ fees agreed upon by the Parties  
3 and approved by the Court for Class Counsel’s litigation and resolution of this Action. Class Counsel’s  
4 Fees and Costs shall include all costs incurred and to be incurred by Class Counsel in the Action,  
5 including, but not limited to, costs associated with documenting the Settlement, securing the Court’s  
6 approval of the Settlement, responding to any objections to the settlement and appeals arising  
7 therefrom, administering the Settlement, and obtaining entry of a Judgment terminating this Action,  
8 and expenses for any experts. Class Counsel will request attorneys’ fees not in excess of one-third of the  
9 Maximum Settlement Amount, or up to Forty-Six Thousand Six-Hundred Sixty-Six Dollars and Sixty-  
10 Seven Cents (\$46,666.67). The Class Counsel’s Fees and Costs will also mean and include the additional  
11 reimbursement of Class Counsel’s actual reasonable costs incurred in connection with Class Counsel’s  
12 litigation and settlement of the Action, up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00),  
13 subject to the Court’s approval. Defendants agree not to oppose Class Counsel’s request for fees and  
14 reimbursement of costs as set forth above.

15 4. **“Settlement Administrator”** means a third-party class action settlement claims  
16 administrator selected by Class Counsel and approved by the Court for purposes of administering this  
17 Settlement. Class Counsel represents that they will not select a Settlement Administrator in which  
18 either Party has any financial interest or other relationship that could create a conflict of interest.  
19 Defendants and Defendants’ Counsel shall not be parties to any agreement or contract entered into with  
20 the Settlement Administrator. None of the Parties or their legal counsel will be responsible for any errors  
21 or omissions in the Settlement Administrator’s work product or calculations.

22 5. **“Settlement Administration Costs”** means the costs payable from the Maximum  
23 Settlement Amount to the Settlement Administrator for administering this Settlement, including, but  
24 not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated  
25 amounts per Class Member, tax reporting, distributing the appropriate settlement amounts, and  
26 providing necessary reports and declarations, and other duties and responsibilities set forth herein to  
27 process this Settlement, and as requested by the Parties. The Settlement Administration Costs will be  
28 paid from the Maximum Settlement Amount and shall not exceed \$15,000.

1           6.       **“Class Counsel”** means Elliot J. Siegel and Julian Burns King of King & Siegel LLP.

2           7.       **“Class List”** means a complete list of all Class Members that Defendants will diligently  
3 and in good faith compile from their records and provide to the Settlement Administrator within twenty-  
4 one (21) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted  
5 in a readable Microsoft Office Excel spreadsheet and will include, to the extent in the possession of  
6 Defendants or their agents, each Class Member’s name; last-known home or mailing address; last-  
7 known telephone numbers; last-known email address; Social Security number or, as applicable, other  
8 Taxpayer Identification Number; start and end date of employment; and number of weeks in which the  
9 Class Member recorded performing work as a non-exempt employee of Defendants in the State of  
10 California during the Class Period.

11           8.       **“Class Member(s)”** or **“Settlement Class”** or the **“Class”** means *“all persons who*  
12 *worked at least one shift as a non-exempt employee in the State of California for either Reseda Discount*  
13 *Corporation or RDC Collective Corp, under CA Department of Cannabis Control license # CDPH-10003587*  
14 *or CDPH-T00000842, from November 21, 2018 through July 31, 2023.”* Defendants have estimated that,  
15 during the period from November 21, 2018 to June 8, 2023 (the “Data Period”), there were  
16 approximately 47 Class Members recorded as performing work as non-exempt employees of  
17 Defendants under license # CDPH-10003587 or CDPH-T00000842 in the State of California. This  
18 representation are material terms for Plaintiff entering into this Stipulation.

19           9.       **“Class Period”** means the period from November 21, 2018 to July 31, 2023.

20           10.       **“Class Representative”** means Plaintiff Mercedes Castro, who will seek to be appointed  
21 as the representative for the Settlement Class.

22           11.       **“Class Representative Enhancement Payment”** means the amounts to be paid to  
23 Plaintiff in recognition of her efforts and work in prosecuting the Action on behalf of Class Members  
24 and negotiating the Settlement. Defendants agree not to dispute that the Class Representative will be  
25 paid, subject to Court approval, up to Twelve Thousand Dollars and Zero Cents (\$12,000.00) from the  
26 Maximum Settlement Amount for his services on behalf of the class, subject to the Court granting Final  
27 Approval of this Settlement Agreement and subject to the exhaustion of any and all appeals. Should the  
28 Court reduce the Class Representative Enhancement Payment, any such reduction shall revert to the

1 Net Settlement distributed to Participating Class Members.

2 12. “**Court**” means the Superior Court of California, County of Los Angeles.

3 13. “**Defendants**” means shall include the Defendants named by Plaintiff in her First  
4 Amended Complaint in this Action, including Reseda Discount Corporation and RDC Collective Corp.

5 14. “**Effective Date**” means the date on which the settlement embodied in this Settlement  
6 Agreement shall become effective, and is the date after all of the following events have occurred: (i) this  
7 Settlement Agreement has been executed by Plaintiff and Defendants; (ii) the Court has given  
8 Preliminary Approval to the Settlement, including approving a provisional Settlement Class; (iii) notice  
9 has been given to the putative members of the Settlement Class, providing them with an opportunity to  
10 object to the terms of the Settlement or to opt-out of the Settlement; and (iv) *either* (1) the Court has  
11 held a formal fairness hearing and, having heard no objections to the Settlement, has given Final  
12 Approval to the Settlement, including entering a final order and judgment certifying the Class and  
13 approving this Settlement Agreement; or (2) in the event there are oral or written objections filed prior  
14 to or at the formal fairness hearing which are not later withdrawn or denied, the later of the following  
15 events: (a) five (5) business days after the period for filing any appeal, writ, or other appellate proceeding  
16 opposing the Court’s Final Approval of the Settlement have elapsed without any appeal, writ, or other  
17 appellate proceeding having been filed; or (b) five (5) business days have elapsed following the final and  
18 conclusive dismissal or resolution of any appeal, writ, or other appellate proceeding opposing the  
19 Settlement, with no right to pursue further appellate remedies or relief.

20 15. “**Individual Settlement Payment**” means each Participating Class Member’s share of  
21 the Net Settlement Amount, to be distributed to the Class Members who do not submit a valid Request  
22 for Exclusion, to be paid without the need to submit a claim.

23 16. “**Individual PAGA Payment**” means any Aggrieved Employee’s pro rata share of 25%  
24 of the Labor and Workforce Development Agency Payment allocated to the Aggrieved Employees  
25 calculated according to the number of Workweeks worked during the PAGA Release Period.

26 17. “**Labor and Workforce Development Agency Payment**” means the amount that the  
27 Parties have agreed that Defendants will pay in connection with Plaintiff’s Labor Code Private Attorneys  
28 General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.* (“PAGA”)) cause of action. The Parties have

1 agreed that Fifteen Thousand Dollars and Zero Cents (\$15,000.00) of the Maximum Settlement  
2 Amount will be allocated to the resolution of the Aggrieved Employees' claims arising under PAGA  
3 ("PAGA Settlement Amount"). Pursuant to PAGA, Seventy-Five Percent (75%), or Eleven Thousand  
4 Two-Hundred Fifty Dollars and Zero Cents (\$11,250.00), of the PAGA Settlement Amount will be paid  
5 to the California Labor and Workforce Development Agency ("LWDA"), and Twenty-Five Percent  
6 (25%), or Three Thousand Seven-Hundred Fifty Dollars and Zero Cents (\$3,750.00), of the PAGA  
7 Settlement Amount will be paid to the Class Members, as allegedly Aggrieved Employees, as part of the  
8 Net Settlement Amount.

9       18.     "**Maximum Settlement Amount**" means the maximum settlement amount of One-  
10 Hundred Forty Thousand Dollars and Zero Cents (\$140,000.00) to be paid by Defendants in full  
11 satisfaction of all claims arising from the Action. The Maximum Settlement Amount shall include all  
12 Individual Settlement Payments to Participating Class Members, the Class Representative  
13 Enhancement Payment, Settlement Administration Costs to the Settlement Administrator, the Labor  
14 and Workforce Development Agency Payment, and the Class Counsel's Fees and Costs. Defendants  
15 agree that they are responsible for employer-side payroll taxes, which are not included in the Maximum  
16 Settlement Amount and are to be paid in addition to the Maximum Settlement Amount. The Maximum  
17 Settlement Amount is non-reversionary.

18       19.     "**Net Settlement Amount**" means the portion of the Maximum Settlement Amount  
19 remaining after deduction of the approved Class Representative Enhancement Payments, Settlement  
20 Administration Costs, Labor and Workforce Development Agency Payment, and Class Counsel's Fees  
21 and Costs. The Net Settlement Amount will be distributed to Participating Class Members.

22       20.     "**Notice of Objection**" means a Class Member's valid and timely written objection to  
23 the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's  
24 full name, signature, address, telephone number, and the last four digits of the objector's Social Security  
25 number (or other Taxpayer Identification Number, if applicable), (b) the dates the objector was  
26 employed by Defendants in California, (c) a written statement of all grounds for the objection  
27 accompanied by any legal support for such objection, and (d) copies of any papers, briefs, or other  
28 documents upon which the objection is based.

1           21.     “**Notice Packet**” or “**Notice**” means the Notice of Class Action Settlement, including  
2 the Exclusion, Objection, and Share Forms, substantially in the form attached as **Exhibit A**.

3           22.     “**PAGA Release Period**” shall run from November 21, 2021 to July 31, 2023.

4           23.     “**Parties**” means Plaintiff and Defendants, collectively.

5           24.     “**Participating Class Members**” means all Class Members who do not submit valid and  
6 timely Requests for Exclusion.

7           25.     “**Plaintiff**” means Mercedes Castro.

8           26.     “**Preliminary Approval**” means the Court order granting preliminary approval of the  
9 settlement set forth in this Settlement Agreement; the order shall be substantially in the form attached  
10 as **Exhibit B**.

11          27.     “**Final Approval**” means the Court order granting final approval of this Settlement  
12 Agreement; the order shall be substantially in the form attached as **Exhibit C**.

13          28.     “**Released Claims**” means all claims and causes of action alleged in the First Amended  
14 Complaint or which reasonably could have been alleged based on the factual allegations and legal  
15 theories contained in the First Amended Complaint and/or LWDA letter(s). It is the intent of the Parties  
16 that the judgment entered by the Court upon Final Approval of the Settlement shall have *res judicata*  
17 and/or collateral estoppel effect and be final and binding upon Plaintiff and all Participating Class  
18 Members regarding all of the Released Claims. Any release by Class Members will only become effective  
19 upon the full and complete funding of this Settlement by Defendant, including all employer-side payroll  
20 taxes, as set forth in Paragraphs 39 and 66.

21          29.     “**First Amended Complaint**” means the amended complaint that Plaintiff agrees to file  
22 in this matter that will include RDC Collective Corp. as a named Defendant.

23          30.     “**Amended LWDA Letter**” means the amended notice of PAGA claims that Plaintiff  
24 agrees to file with the LWDA and with the Court as an attachment to Plaintiff’s First Amended  
25 Complaint.

26          31.     “**Released PAGA Claims**” means the claims being released for PAGA penalties that  
27 were alleged, or reasonably could have been alleged, based on the Operative Complaint and the PAGA  
28 Notice(s) during the PAGA Release Period. This Release binds the State of California, including the

1 LWDA, and Plaintiff.

2 32. “**Release Period**” means the period from November 21, 2018 to July 31, 2023.

3 33. “**Released Parties**” shall include the Defendants named by Plaintiff in her First  
4 Amended Complaint in this Action, including Reseda Discount Corporation and RDC Collective Corp.,  
5 and their parents, subsidiaries, affiliates, shareholders, members, predecessors, successors, officers,  
6 directors, insurers, related entities and divisions, attorneys, and employees. It is the intent of the Parties  
7 that if the Court orders a narrowing of the definition of the Released Parties that the Settlement still be  
8 effectuated as long as all named Defendants are still covered by the Release. However, any such change  
9 must occur through written stipulation by the Parties.

10 34. “**Request for Exclusion**” means a timely letter submitted by a Class Member indicating  
11 a request to be excluded from the Settlement. The Request for Exclusion must: (a) be signed by the  
12 Class Member; (b) contain the name, address, telephone number, and the last four digits of the Social  
13 Security number (or other Taxpayer Identification Number, if applicable) of the Class Member  
14 requesting exclusion; (c) clearly state that the Class Member received the Notice, does not wish to  
15 participate in the Settlement, and wants to be excluded from the Settlement; (d) be returned by first  
16 class mail or equivalent to the Settlement Administrator at the specified address; and (e) be postmarked  
17 on or before the Response Deadline. The date of the postmark on the return mailing envelope will be  
18 the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class  
19 Member who does not request exclusion from the Settlement will be deemed a Participating Class  
20 Member and will be bound by all terms of the Settlement, if the Settlement is granted Final Approval by  
21 the Court.

22 35. “**Response Deadline**” means the deadline by which Class Members must postmark to  
23 the Settlement Administrator valid Share Forms, Requests for Exclusion, or file and serve objections to  
24 the Settlement. The Response Deadline will be thirty (30) calendar days from the initial mailing of the  
25 Notice Packet by the Settlement Administrator, unless the 30th day falls on a Sunday or federal holiday,  
26 in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service  
27 is open. The Response Deadline for Objections or Requests for Exclusion will be extended fifteen (15)  
28 calendar days for any Class Member who is re-mailed a Notice Packet by the Settlement Administrator,

1 unless the 15th day falls on a Sunday or federal holiday, in which case the Response Deadline will be  
2 extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be  
3 extended by express agreement between Class Counsel and Defendants. Under no circumstances,  
4 however, will the Settlement Administrator have the authority to extend the deadline for Class Members  
5 to submit a Request for Exclusion, or objection to the Settlement, other than as provided herein.

6 36. “**Settlement**” means the agreement to resolve the Action on terms and conditions as set  
7 forth in this Settlement Agreement.

8 37. “**Workweeks**” means the number of weeks in which a Class Member recorded  
9 performing work as a non-exempt employee of Defendants in the State of California during the Class  
10 Period. Workweeks will be determined based on such data as is electronically available in Defendants’  
11 existing timekeeping and payroll data.

#### 12 **CLASS CERTIFICATION FOR SETTLEMENT PURPOSES**

13 38. The Parties agree that the requisites for establishing a settlement class are satisfied and  
14 that, solely for purposes of settling the Action, class certification is appropriate. If the Settlement is not  
15 approved by the Court, Defendants retain all rights and opportunities to contest class certification on all  
16 issues in the Action.

#### 17 **TERMS OF AGREEMENT**

18 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set  
19 forth herein, the Parties agree, subject to the Court’s approval, as follows:

20 39. **Funding of the Maximum Settlement Amount.** Within ten (10) calendar days after the  
21 Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts  
22 to be paid by Defendants pursuant to the terms of the Settlement. Within twenty-one (21) calendar days  
23 of the Effective Date, Defendants will pay the entire Maximum Settlement Amount *plus* all required  
24 employer-side payroll taxes to the Settlement Administrator. Payment will be deposited into a Qualified  
25 Settlement Account to be established by the Settlement Administrator.

26 Within ten (10) calendar days of the funding of the Maximum Settlement Amount, the  
27 Settlement Administrator will issue payments to: (a) the Settlement Administrator; (b) the Labor and  
28 Workforce Development Agency; (c) Class Representative; (d) Class Counsel; (e) Participating Class

1 Members; and (f) Aggrieved Employees.

2 40. Class Counsel's Fees and Costs. Defendants agree not to oppose or impede any  
3 application or motion by Class Counsel for Class Counsel's Fees and Costs of up to one-third of the  
4 Maximum Settlement Amount, or \$46,666.67, plus the reimbursement of actual reasonable costs and  
5 expenses incurred in connection with Class Counsel's litigation and settlement of the Action, up to  
6 Fifteen Thousand Dollars and Zero Cents (\$15,000), both of which will be paid from the Maximum  
7 Settlement Amount. Even in the event the Court reduces or does not approve the requested amount for  
8 Class Counsel's Fees and Costs, Plaintiff and Plaintiff's Counsel shall not have the right to revoke this  
9 Agreement or the Settlement.

10 41. Class Representative Enhancement Payment. In exchange for a general release of the  
11 Released Parties, and in recognition of his efforts and work in prosecuting the Action on behalf of Class  
12 Members and negotiating the Settlement, Defendants agree not to oppose or impede any application or  
13 motion for a Class Representative Enhancement Payment of up to a total of Twelve Thousand Dollars  
14 and Zero Cents (\$12,000.00) to the Class Representative, subject to the Court's approval. The Class  
15 Representative Enhancement Payment, which will be paid from the Maximum Settlement Amount, is  
16 in addition to the payments to which he is entitled as a Settlement Class Member and Aggrieved  
17 Employee. The Class Representative agrees to execute a general release of all claims, including a waiver  
18 of California Civil Code § 1542, against the Released Parties in exchange for his Enhancement Payment,  
19 which this Stipulation includes. The Settlement Administrator will issue an IRS Form 1099 for the  
20 Enhancement Payment to the Class Representative, and the Class Representative shall be solely and  
21 legally responsible for correctly characterizing this compensation for tax purposes and for paying any  
22 taxes on the amount received. Should the Court reduce the Class Representative Enhancement  
23 Payment, any such reduction shall revert to the Net Settlement distributed to Participating Class  
24 Members. Even in the event the Court reduces or does not approve the requested amount for the Class  
25 Representative Enhancement Payment, Plaintiff and Plaintiff's Counsel shall not have the right to  
26 revoke this Agreement or the Settlement.

27 42. Settlement Administration Costs. The Settlement Administrator will be paid for the  
28 reasonable costs of administration of the Settlement and distribution of payments from the Maximum

1 Settlement Amount, which is capped at no more than \$15,000.00. These costs, which will be paid from  
2 the Maximum Settlement Amount, will include, for instance, costs incurred for the required tax  
3 reporting on the Individual Settlement Payments, the issuing of W-2 and 1099 IRS Forms, distributing  
4 the Notice Packet, calculating Class Members' workweeks, calculating and distributing the Maximum  
5 Settlement Amount and Class Counsel's Fees and Costs, and providing necessary reports and  
6 declarations.

7 43. Labor and Workforce Development Agency Payment. Subject to Court approval, the  
8 Parties agree that the amount of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) of the  
9 Maximum Settlement Amount will be designated for satisfaction of Plaintiff's and Class Members'  
10 PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or Eleven Thousand Two-Hundred  
11 Fifty Dollars and Zero Cents (\$11,250.00), will be paid to the LWDA, and Twenty-Five Percent (25%),  
12 or Three Thousand Seven-Hundred Fifty Dollars and Zero Cents (\$3,750.00), will be distributed to the  
13 Aggrieved Employees as part of the Net Settlement Amount. Class Counsel agrees to provide notice of  
14 this Settlement to the LWDA as required by Labor Code section 2699(l)(2).

15 44. Net Settlement Amount. "Net Settlement Amount" shall mean the Maximum  
16 Settlement Amount *minus* Settlement Administration Costs, Class Counsel's Fees and Costs, the Class  
17 Representative Enhancement Payment, and the portion of the Labor and Workforce Development  
18 Agency Payment that will be paid to the LWDA.

19 45. Settlement Administration Cost Decreases. Any portion of the estimated or designated  
20 Settlement Administration Costs which are not required to fulfill the total Settlement Administration  
21 Costs will become part of the Net Settlement Amount.

22 46. Individual Settlement Payment Calculations. Individual Settlement Payments will be  
23 calculated and apportioned from the Net Settlement Amount based on each Participating Class  
24 Member's "Workweeks" (as defined above). Specific calculations of Individual Settlement Payments  
25 will be made as follows:

26 a. The Settlement Administrator will calculate the number of Workweeks per  
27 Participating Class Member during the Class Period based on records in Defendants' possession,  
28

1 custody, or control.<sup>1</sup> Class Members' Individual Workweeks shall be calculated to the nearest  
2 hundredth of a full workweek.

3 b. The Settlement Administrator will calculate the total Workweeks for all  
4 Settlement Class Members by adding the number of Workweeks worked by each Settlement  
5 Class Member during the Class Period.

6 c. The respective Workweeks for each Settlement Class Member will be divided by  
7 the total Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each  
8 Settlement Class Member.

9 d. Each Settlement Class Member's Payment Ratio will then be multiplied by the  
10 Net Settlement Amount to calculate each Settlement Class Member's estimated Individual  
11 Settlement Payments.

12 e. The Parties agree that the minimum payment to any given Class Member shall be  
13 no less than \$25 regardless of their weeks worked.

14 f. Using the Class Data, the Settlement Administrator will use the total number of  
15 Workweeks during the PAGA Release Period as the total number of "PAGA Pay Periods." The  
16 Settlement Administrator will use the number of Workweeks for each Settlement Class Member  
17 during the PAGA Release Period as each individual's PAGA Pay Periods. The Settlement  
18 Administrator will divide each Aggrieved Employee's PAGA Pay Periods by the aggregate  
19 number of PAGA Pay Periods of all Aggrieved Employees during the PAGA Release Period to  
20 determine each Aggrieved Employee's pro rata portion of the portion of the PAGA payment  
21 allocated to Aggrieved Employees. A Class Member's pay periods shall be calculated to the  
22 nearest hundredth of a full pay period.

23 47. Limited Confidentiality. The Parties agree not to issue press releases, communicate with,  
24 or respond to, any media or publication entities, or otherwise publish any information, concerning the  
25

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26 <sup>1</sup> Defendants' Workweek data will be presumed to be correct unless a particular Class Member  
27 proves otherwise to the Settlement Administrator by credible written evidence. All Workweek disputes  
28 will be resolved and decided by the Settlement Administrator in consultation with Class Counsel and  
counsel for Defendants. The Settlement Administrator's decision on all Workweek disputes will be final  
and non-appealable.

1 Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying  
2 the Settlement prior to final approval and Entry of Judgment, except as required by law or as shall be  
3 contractually required to effectuate the terms of the Settlement as set forth herein. Nothing stated herein  
4 shall prohibit Class Counsel from discussing the Settlement, the fact of Settlement, and its terms and  
5 conditions: (i) with Class Members and/or (ii) in court filings, including in their respective firm resumes,  
6 and/or (iii) in all necessary motions and supporting memoranda related to preliminary and final approval  
7 of the Settlement, or for other class action settlements. This provision also does not limit Class Counsel  
8 (i) from complying with ethical obligations; or (ii) from posting a neutral description of publicly available  
9 facts regarding the Settlement, provided that such posting does not expressly identify Defendants by  
10 name.

11 48. Class Member Communications. Defendants will instruct Reseda Discount Corporation  
12 and RDC Collective Corp's officers, directors, and exempt managers that, should they be contacted by  
13 Class Members or persons who believe they may be Class Members in relation to this Agreement, such  
14 officers, directors, and exempt managers should make no comment except by directing the employees  
15 to Defendants' administrators, who will be instructed to direct such Class Members to (a) the  
16 Settlement Administrator and the Class Notice or (b) Class Counsel, and to provide such Class  
17 Members with contact information for the Settlement Administrator and Class Counsel. Defendants  
18 agree not to discourage or prevent Class Members from exercising any of their rights or obligations  
19 pursuant to this Agreement. At no time will any of the Parties or their counsel take any action to  
20 encourage, support, require, or induce Class Members to object to the Settlement Agreement, opt-out  
21 from the Settlement, appeal from the Order and Judgment, or otherwise engage in a particular course of  
22 action with respect to their rights under the Settlement.

23 49. Settlement Awards Do Not Trigger Additional Benefits. All Individual Settlement  
24 Payments to Participating Class Members shall be deemed to be paid to such Participating Class  
25 Members solely in the year in which such payments are received by the Participating Class Members. It  
26 is expressly understood and agreed that the receipt of such Individual Settlement Payments will not  
27 entitle any Participating Class Member to additional compensation or benefits under any company  
28 bonus, commission, or other compensation or benefit plan or agreement in place during the period

1 covered by the Settlement, nor will it entitle any Participating Class Member to any increased  
2 retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of the  
3 Parties to this Settlement that the Individual Settlement Payments provided for in this Settlement are  
4 the sole payments to be made by Defendants to the Participating Class Members, and that the  
5 Participating Class Members are not entitled to any new or additional compensation or benefits as a  
6 result of having received the Individual Settlement Payments (notwithstanding any contrary language  
7 or agreement in any benefit or compensation plan document that might have been in effect during the  
8 period covered by this Settlement).

9       50.     Settlement Administration Process. The Parties agree to cooperate in the administration  
10 of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses  
11 incurred in administration of the Settlement.

12       51.     Delivery of the Class List. Within 21 calendar days of Preliminary Approval, Defendants  
13 will provide the Class List to the Settlement Administrator. To protect Class Members' privacy rights,  
14 the Settlement Administrator must maintain the Class List data in confidence, use the Class List data  
15 only for purposes of this Settlement and for no other purpose, and restrict access to the Class List data  
16 to Settlement Administrator employees who need access to the Class List data to effect and perform  
17 under this Agreement.

18       52.     Notice by First-Class U.S. Mail. Within seven (7) calendar days following receipt of the  
19 Class List, the Settlement Administrator will mail a Notice Packet, substantially in the form attached  
20 hereto as **Exhibit A**, to all Class Members via regular First-Class U.S. Mail, using the most current or  
21 last known mailing addresses identified in the Class List. Each Notice Packet will provide: (a)  
22 information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c)  
23 the Settlement Class definition; (d) each Class Member's estimated Individual Settlement Payment and  
24 the formula for calculating Individual Settlement Payments; (e) the dates which comprise the Class  
25 Period; (f) instructions on how to submit valid Requests for Exclusion or objections; (g) the deadlines  
26 by which the Class Member must fax or postmark Requests for Exclusions or file and serve objections  
27 to the Settlement; (h) the claims to be released, as set forth herein; and (i) the date for the Final Approval  
28 Hearing.

1           53.     Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement  
2 Administrator will perform a search based on the National Change of Address Database for information  
3 to update and correct for any known or identifiable address changes. Any Notice Packets returned to the  
4 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly  
5 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement  
6 Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is  
7 provided, the Settlement Administrator will promptly attempt to determine the correct address using a  
8 skip-trace, or other search using the name, address, and/or Social Security number (or other Taxpayer  
9 Identification Number, if applicable) of the Class Member involved and will then perform a single re-  
10 mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by  
11 request, will have between the later of: (a) an additional fifteen (15) calendar days; or (b) the Response  
12 Deadline to fax or postmark a Request for Exclusion, or file and serve an objection to the Settlement.

13           54.     Disputed Information on Notice Packets. Class Members will have an opportunity to  
14 dispute the information provided in their Notice Packets. To the extent Class Members dispute the  
15 number of weeks he/she worked during the Class Period, or the amount of their Individual Settlement  
16 Payment, Class Members may produce evidence to the Settlement Administrator showing that such  
17 information is inaccurate. Any disputes, along with supporting documentation, must be postmarked on  
18 or before the Response Deadline. Absent evidence rebutting Defendants' records, Defendants' records  
19 will be presumed determinative. However, if a Class Member produces evidence to the contrary, the  
20 Settlement Administrator will evaluate the evidence submitted by the Class Member in consultation  
21 with Class Counsel and Counsel for Defendants and will make the final decision as to the Individual  
22 Settlement Payment to which the Class Member may be entitled with input from Class Counsel and  
23 Defense Counsel. This determination shall be binding on the Class Member.

24           55.     Request for Exclusion Procedures. Any Class Member wishing to opt-out from the  
25 Settlement Agreement must sign and postmark a written Request for Exclusion to the Settlement  
26 Administrator within the Response Deadline. The date of the postmark on the return mailing envelope  
27 will be the exclusive means to determine whether a Request for Exclusion has been timely submitted.  
28 All Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly to

1 Class Counsel and Defendants' Counsel the Requests for Exclusion that were timely submitted. Any  
2 Class Member who submits a Request for Exclusion shall be prohibited from objecting to the Settlement  
3 Agreement.

4 56. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member  
5 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid  
6 Request for Exclusion will be bound by all of the terms of the Settlement Agreement, including those  
7 pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it grants  
8 Final Approval to the Settlement. The release of the Released PAGA Claims shall be binding  
9 irrespective of whether any Class Members opt-out of the Settlement Agreement.

10 57. Objection Procedures. To object to the Settlement Agreement, a Class Member must file  
11 a valid Notice of Objection with the Settlement Administrator on or before the Response Deadline. The  
12 Settlement Administrator shall serve all objections as received on Class Counsel and Defendants'  
13 Counsel. The Notice of Objection shall be signed by the Class Member and contain all information  
14 required by this Settlement Agreement. The postmark date of the filing and service will be deemed the  
15 exclusive means for determining that the Notice of Objection is timely. Class Members may also raise  
16 objections orally at the Final Fairness and Approval hearing, whether or not they previously submitted  
17 a valid Notice of Objection. It shall not be a breach of this Agreement for Class Counsel to file the  
18 Objections with the Court per the Court's instruction, local rules, or as otherwise required for approval  
19 of this Settlement Agreement.

20 58. Certification Reports Regarding Individual Settlement Payment Calculations. The  
21 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report which  
22 certifies: (a) the number of Class Members who have submitted valid Requests for Exclusion or  
23 Objections; and (b) whether any Class Member has submitted a challenge to any information contained  
24 in their Claim Form or Notice Packet. Additionally, the Settlement Administrator will provide counsel  
25 for both Parties any updated reports regarding the administration of the Settlement Agreement as  
26 needed or requested. No later than 30 days prior to the deadline for Class Counsel to file its motion in  
27 support of the Final Approval and Fairness Hearing, the Settlement Administrator will compile and  
28 deliver to Class Counsel and Defense Counsel a declaration with summary information of the Notice

1 process, including but not limited to: (a) the total amount of final Individual Settlement Payments of  
2 each Settlement Class Member; (b) the number of Settlement Class Members to receive such payments;  
3 (c) the final number of requests for exclusion/Opt-Outs and objections, including authentication all such  
4 requests and the names of the Class Members who submitted them; (d) the Settlement Administrator's  
5 qualifications for administration; and (e) an explanation of the steps taken to implement the Notice  
6 process as set forth in this Agreement.

7 59. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator to  
8 Participating Class Members will be negotiable for 120 calendar days from the date the check was issued  
9 (the "Void Date"). For any Class Member whose Individual Class Payment check and/or Individual  
10 PAGA Payment check is uncashed and cancelled after the Void Date, the Administrator shall transmit  
11 the funds represented by such checks to a Court-approved non-profit organization or foundation  
12 consistent with Code of Civil Procedure Section 384(b) ("Cy Pres Recipient"). The Cy Pres Recipient  
13 shall be the California Bar's Justice Gap Fund. The Parties represent that they have no interest or  
14 relationship, financial or otherwise, with the intended Cy Pres Recipient. If any Aggrieved Employees  
15 cannot be found, or if the checks sent to Aggrieved Employees as their share of the PAGA penalties are  
16 not cashed, and the collective amount of those checks do not justify the expense of a second distribution  
17 to Aggrieved Employees who did cash their checks, the unclaimed funds shall be distributed to the Labor  
18 and Workforce Development Agency rather than to the intended Cy Pres Recipient.

19 60. Certification of Completion. Upon completion of administration of the Settlement, the  
20 Settlement Administrator will provide a written declaration under oath to certify such completion to the  
21 Court and counsel for all Parties.

22 61. Treatment of Individual Settlement Payments. All Individual Settlement Payments will  
23 be allocated as follows: of each Individual Settlement Payment, 33% will be allocated as alleged unpaid  
24 wages, 33% will be allocated as alleged unpaid civil penalties, and 34% will be allocated as alleged unpaid  
25 interest, and expense reimbursement. The percentage of each Individual Settlement Payment allocated  
26 as wages will be reported on an IRS Form W-2 by the Settlement Administrator. The remaining  
27 percentage of each Individual Settlement Payment shall be allocated as interest, penalties, and  
28 reimbursement, and will be reported on an IRS Form-1099 by the Settlement Administrator.

1           62.    Administration of Taxes by the Settlement Administrator. The Settlement Administrator  
2 will be responsible for issuing to Plaintiff, Participating Class Members, and Class Counsel any W-2,  
3 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Agreement.  
4 Within ten (10) business days after the Effective Date, the Settlement Administrator will provide the  
5 Parties with an accounting of the amounts to be paid by Defendants pursuant to the terms of the  
6 Settlement, including the amount of the employer contribution for payroll taxes to be paid by  
7 Defendants.

8           63.    Tax Liability. The Parties acknowledge that no tax advice has been offered or given by  
9 any other Party, their attorneys, agents, or any other representatives, in the course of these negotiations,  
10 and that each Party is relying upon the advice of his/its own tax consultant with regard to any tax  
11 consequences that may arise as a result of the execution of this Agreement. The Class Representatives  
12 and Class Counsel acknowledge that they may be required to submit a Form W-9, and the Class  
13 Representatives, Class Members, and Class Counsel acknowledge that the Settlement Administrator  
14 may be required to issue a Form 1099 or other tax form reporting the consideration flowing to the Class  
15 Representatives, Class Members, and Class Counsel under this agreement to the Internal Revenue  
16 Services and/or other taxing authority. Nothing herein shall obligate the Class Representatives, Class  
17 Members, and Class Counsel to pay, indemnify, or otherwise assume responsibility for any taxes that  
18 would be owed by Defendants in the first instance or as a result of any re-classification of the treatment  
19 of the payments, such as, for example, employer-side payroll contributions.

20           64.    Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES  
21 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS  
22 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)  
23 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO  
24 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR  
25 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL  
26 ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR  
27 BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES  
28 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE

1 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN,  
2 INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN  
3 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS  
4 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY  
5 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY  
6 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO  
7 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE  
8 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY  
9 HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY  
10 SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER  
11 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE  
12 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY  
13 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS  
14 AGREEMENT.

15 65. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant  
16 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,  
17 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause  
18 of action, or right herein released and discharged.

19 66. Release of Claims by Class Members. Upon the full and complete funding of this  
20 Settlement by Defendant, including all employer-side payroll taxes, as set forth in Paragraph 39, the  
21 Settlement Class, and each Participating Class Member, fully releases and discharges the Released  
22 Parties for the Released Claims for the Class Period. Participating Class Members will be deemed to  
23 have acknowledged and agreed that their claims for wages and penalties in the Action are disputed.  
24 Participating Class Members will be deemed to have acknowledged and agreed that California Labor  
25 Code Section 206.5 is not applicable to the Individual Settlement Payment.

26 67. Plaintiff's Released Claims. In addition to the Participating Class Members' Released  
27 Claims described above, in exchange for the consideration recited in this Stipulation, including but not  
28 limited to the Class Representative Enhancement Award, Plaintiff releases, acquits, and discharges and

1 covenants not to sue any of the Released Parties for any claim, whether known or unknown, which she  
2 has ever had, or hereafter may claim to have, arising on or before the date they sign this Stipulation,  
3 including without limitation to, any claims relating to or arising out of any aspect of her relationship with  
4 Defendants, or the termination of that relationship, including any claims for unlawful discrimination,  
5 harassment, or retaliation; any claims for unpaid compensation, wages, reimbursement for business  
6 expenses, penalties, or waiting time penalties; any other claims under the California Labor Code, the  
7 California Business and Professions Code, the federal Fair Labor Standards Act, 29 U.S.C. section 201,  
8 *et seq.*, or any other federal, state, county, or city law or ordinance regarding wages or other  
9 compensation; any claims for employee benefits including without limitation, any claims under the  
10 Employment Retirement Income Security Act of 1974; any claims of employment discrimination on any  
11 other basis, including without limitation, any claims under Title VII of the Civil Rights Act of 1964, the  
12 Civil Rights Act of 1866, 42 U.S.C. section 1981, the Civil Rights Act of 1991, the Americans with  
13 Disabilities Act of 1991, the Family and Medical Leave Act of 1993, the California Government Code,  
14 or any other federal, state, county, or city law or ordinance regarding employment discrimination.  
15 Plaintiff acknowledges and agrees that the foregoing general release is given in exchange for the  
16 consideration provided to her under this Stipulation by Defendants. However, this release shall not  
17 apply to any claim for workers' compensation benefits, unemployment insurance benefits, pension or  
18 retirement benefits, or any other claim or right that as a matter of law cannot be waived or released.

19 Plaintiff expressly waives any rights or benefits available to her under the provisions of Section  
20 1542 of the California Civil Code, which provides as follows:

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

24 Plaintiff understands fully the statutory language of Civil Code Section 1542 and, with this  
25 understanding, nevertheless elects to, and does, assume all risks for claims against the Released Parties  
26 that have arisen, whether known or unknown, which she had, or hereafter may claim to have, arising  
27 on or before the date of her signature to this Stipulation, and specifically waives all rights she may have  
28 under the California Civil Code section 1542.

1           68.    Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this  
2 Settlement Agreement to the Court in support of Plaintiff’s Motion for Preliminary Approval and  
3 determination by the Court as to the fairness, adequacy, and reasonableness of the Settlement  
4 Agreement. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the Court  
5 for the entry of an order for:

6           a.     Scheduling a fairness hearing on the question of whether the proposed Settlement,  
7 including but not limited to, payment of Class Counsel’s fees and costs, and the Class Representative  
8 Enhancement Payments, should be finally approved as fair, reasonable, and adequate as to the members  
9 of the Settlement Class;

10          b.     Preliminarily Certifying a Settlement Class;

11          c.     Approving, as to form and content, the proposed Notice;

12          d.     Approving the manner and method for Class Members to request exclusion from the  
13 Settlement as contained herein and within the Notice;

14          e.     Directing the mailing of the Notice, by first class mail to the Class Members; and

15          f.     Giving Preliminary Approval to Settlement subject to final review by the Court.

16           69.    Duties of the Parties Following Preliminary Court Approval. Following Preliminary  
17 Approval by the Court of the Settlement provided for in this Settlement Agreement and Notice to the  
18 Class, Class Counsel will submit a proposed final order of approval and judgment for:

19          a.     Approval of the Settlement, adjudging the terms thereof to be fair, reasonable, and  
20 adequate, and directing consummation of its terms and provisions;

21          b.     Approval of Class Counsel’s application for an award of attorneys’ fees and costs;

22          c.     Approval of the Class Representative Enhancement Payments to the Class  
23 Representatives;

24          d.     Approval of the Settlement Administration Costs of the Settlement Administrator; and

25          e.     That judgment be entered in this Action.

26          b.     Rescission by Defendants. If more than fifteen percent (15%) of the Class Members opt-  
27 out of the Settlement by submitting Requests for Exclusion, Defendants may, at their option, rescind  
28 and void the Settlement and all actions taken in furtherance of it will thereby be null and void.

1 Defendants must exercise this right of rescission, in writing, to Class Counsel within fourteen (14)  
2 calendar days after the Settlement Administrator notifies the Parties of the total number of Requests for  
3 Exclusion received by the Response Deadline. If the option to rescind is exercised, Defendants shall be  
4 solely responsible for all costs of the Settlement Administrator accrued to that point.

5 70. Escalator Clause. Defendants have represented that there are 47 Class Members who  
6 worked from the beginning of the Class Period through the date of mediation (June 8, 2023). Plaintiff  
7 has relied upon this material representation in entering into this Settlement Agreement. Should the  
8 number of Class Members on the Class List who worked within the Release Period exceed 47 by more  
9 than 15%, Plaintiff may revoke the Settlement unless Defendants increase the MSA proportionately for  
10 each additional Class Member or, alternatively, Defendants shall have the option of shortening the  
11 PAGA and Class Release Periods to a date corresponding with the 47 Class Members.

12 71. Termination of Settlement. Subject to the obligation(s) of cooperation set forth herein,  
13 any Party may terminate this Settlement if the Court declines to enter the Preliminary Approval Order,  
14 the Final Approval Order, or Final Judgment in substantially the form agreed to by the Parties in this  
15 Stipulation, or the Settlement Agreement as agreed does not become final because of appellate court  
16 action. The Terminating Party shall give to all other Parties (through his/its counsel) written notice of  
17 his/its decision to terminate this Agreement no later than ten (10) business days after receiving notice  
18 that one of the enumerated events has occurred. Termination of this Agreement shall have the following  
19 effects:

20 a. The Settlement Agreement shall be terminated and shall have no force or effect, and no  
21 Party shall be bound by any of its terms;

22 b. In the event the Settlement is terminated, Defendants shall have no obligation to make  
23 any payments to any Party, Class Member or Class Counsel. However, Defendants shall Defendants  
24 shall be liable for all Settlement Administration costs incurred through that point;

25 c. The Preliminary Approval Order, Final Approval Order, and Judgment, including any  
26 order of class certification, shall be vacated;

1 d. The Settlement Agreement and all negotiations, statements, and proceedings relating  
2 thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their  
3 respective positions in the Action prior to the Settlement;

4 e. Neither this Stipulated Settlement, nor any ancillary documents, actions, statements, or  
5 filings in furtherance of settlement (including all matters associated with the mediation) shall be  
6 admissible or offered into evidence in the Action or any other action for any purpose whatsoever.

7 f. Notwithstanding the foregoing, if the Court rejects the Settlement despite the Parties'  
8 best efforts and the Parties are unable to agree to Settlement that is approved, Defendants shall be liable  
9 for all Settlement Administration costs incurred through that point.

10 72. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request  
11 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order  
12 for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) Preliminary  
13 Approval of the proposed Settlement Agreement, and (c) setting a date for a Final Approval/Settlement  
14 Fairness Hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all  
15 Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will  
16 submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the  
17 proposed Notice Packet; *i.e.*, the proposed Notice of Class Action Settlement document, attached as  
18 **Exhibit A**. Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary  
19 Approval. Defendants agree not to oppose the Motion for Preliminary Approval.

20 73. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the  
21 deadlines for Class Members to submit Requests for Exclusion, or objections to the Settlement  
22 Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be  
23 conducted to determine the Final Approval of the Settlement Agreement along with the amounts  
24 properly payable for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development  
25 Agency Payment; (c) the Class Counsel's Fees and Costs; (d) the Class Representative Enhancement  
26 Payment; (e) all Settlement Administration Costs; and (f) Defendants' share of payroll taxes for wages  
27 paid in connection with the Individual Settlement Payments. Class Counsel will be responsible for  
28 drafting all documents necessary to obtain Final Approval, including responding to any objections and

1 appeals arising therefrom. Class Counsel will also draft the attorneys' fees and costs application to be  
2 heard at the Final Approval hearing. Defendants agree not to oppose the Motion for Final Approval.

3 74. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by the  
4 Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment  
5 pursuant to California Code of Civil Procedure section 664.6 to the Court for its approval. After entry  
6 of the Judgment, the Court will have continuing jurisdiction for purposes of addressing: (a) the  
7 interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters,  
8 and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this  
9 Agreement.

10 75. Exhibit(s) Incorporated by Reference. The terms of this Agreement include the terms set  
11 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein.  
12 Any Exhibits to this Agreement are an integral part of the Settlement.

13 76. Entire Agreement. This Settlement Agreement, the general release of all claims by the  
14 Class Representative, and any attached Exhibit(s) constitute the entirety of the Parties' settlement  
15 terms. The Parties expressly recognize California Civil Code section 1625 and California Code of Civil  
16 Procedure section 1856(a), which provide that a written agreement is to be construed according to its  
17 terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such  
18 extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this  
19 Agreement.

20 77. Amendment or Modification. This Settlement Agreement may be amended or modified  
21 only by a written instrument signed by the named Parties or their successors-in-interest.

22 78. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and  
23 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement  
24 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant  
25 to this Settlement Agreement to effectuate its terms and to execute any other documents required to  
26 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with  
27 each other and use their best efforts to effectuate the implementation of the Settlement. If the Parties  
28 are unable to reach agreement on the form or content of any document needed to implement the

1 Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of  
2 this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

3 79. Signatories. It is agreed for the purposes of this Settlement Agreement only that because  
4 the members of the Class are so numerous, it is impossible or impractical to have each member of the  
5 Class execute this Settlement Agreement. The Notice, attached hereto as Exhibit A, will advise all Class  
6 Members of the binding nature of the release, and the release shall have the same force and effect as if  
7 this Settlement Agreement were executed by each member of the Class.

8 80. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,  
9 and will inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

10 81. California Law Governs. All terms of this Settlement Agreement and Exhibit(s) hereto  
11 will be governed by and interpreted according to the laws of the State of California.

12 82. Execution and Counterparts. This Settlement Agreement is subject only to the execution  
13 of all Parties. The Agreement may be executed in one or more counterparts either by ink or electronic  
14 signature. All executed counterparts and each of them, including electronic, facsimile, and scanned  
15 copies of the signature page, will be deemed to be one and the same instrument.

16 83. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this  
17 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action. The Parties further  
18 agree that they have arrived at this Settlement after arm's-length negotiations and in the context of  
19 adversarial litigation, taking into account all relevant factors, present and potential. The Parties further  
20 acknowledge that they are each represented by competent counsel and that they have had an opportunity  
21 to consult with their counsel regarding the fairness and reasonableness of this Agreement.

22 84. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement  
23 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible  
24 consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid  
25 and enforceable.

26 85. Plaintiff's Waiver of Right to Be Excluded and Object. Plaintiff agrees to sign this  
27 Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by the terms herein.  
28 For good and valuable consideration, Plaintiff further agrees that he will not request to be excluded from

1 the Settlement Agreement, nor object to any terms herein. Any such request for exclusion or objection  
2 by Plaintiff will be void and of no force or effect. Any efforts by Plaintiff to circumvent the terms of this  
3 paragraph will be void and of no force or effect.

4 86. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class  
5 certification for settlement purposes only; except, however, that Plaintiff or Class Counsel may appeal  
6 any reduction in the Class Counsel's Fees and Costs below the amount requested from the Court but  
7 must inform Defense Counsel and the Class Administrator of any intent to appeal prior to the  
8 distribution of any funds from the Class Administrator to any Settlement Class Members or any other  
9 Parties. Any Party may appeal a Court order that materially modifies the Settlement in a manner that  
10 was not approved in writing by all Parties.

11 87. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute  
12 that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In  
13 entering into this Agreement, Released Parties do not admit, and specifically deny, they have violated  
14 any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any  
15 statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated  
16 or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful  
17 conduct with respect to its employees. Neither this Agreement, nor any of its terms or provisions, nor  
18 any of the negotiations connected with it, shall be construed as an admission or concession by Released  
19 Parties of any such violations or failures to comply with any applicable law. Except as necessary in a  
20 proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall  
21 not be offered or received as evidence in any action or proceeding to establish any liability or admission  
22 on the part of Released Parties, or to establish the existence of any condition constituting a violation of,  
23 or non-compliance with, federal, state, local, or other applicable law.

24 88. Captions. The captions and section numbers in this Agreement are inserted for the  
25 reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the  
26 provisions of this Agreement.

27 89. Waiver. No waiver of any condition or covenant contained in this Agreement or failure  
28 to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a

1 further waiver by such Party of the same or any other condition, covenant, right, or remedy.

2 90. Enforcement Actions. In the event that one or more of the Parties institute any legal  
3 action, motion, petition, or other proceeding against any other Party or Parties to enforce the provisions  
4 of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or  
5 Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and  
6 costs, including expert witness fees incurred, in connection with such enforcement actions.

7 91. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and  
8 conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against  
9 one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of  
10 the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all  
11 Parties have contributed to the preparation of this Agreement.

12 92. Representation By Counsel. The Parties acknowledge that they have been represented by  
13 counsel throughout all negotiations that preceded the execution of this Agreement, and that this  
14 Agreement has been executed with the consent and advice of counsel, and reviewed in full.

15 93. All Terms Subject to Final Court Approval. All amounts and procedures described in this  
16 Settlement Agreement herein will be subject to the Court's Final Approval.

17 94. Notices. Unless otherwise specifically provided herein, all notices, demands, or other  
18 communications given hereunder shall be in writing and shall be transmitted to a Party via email:

19 To Plaintiff and the Settlement Class:

20 Elliot J. Siegel  
21 elliot@kingsiegel.com  
22 Julian Burns King  
23 julian@kingsiegel.com  
24 **KING & SIEGEL LLP**  
724 S. Spring Street, Suite 201  
Los Angeles, California 90014

25 To Defendants:

26 David C. Hawkes  
27 dhawkes@bdfllaw.com  
28 **BLANCHARD, KRASNER & FRENCH**  
800 Silverado Street, Second Floor

1 La Jolla, CA 92037

2 95. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good  
3 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this  
4 Settlement Agreement.

5 96. Binding Agreement. The Parties warrant that: 1) they understand and have full authority  
6 to enter into this Agreement; 2) they intend that this Agreement will be fully enforceable and binding  
7 on all Parties; and 3) agree that it will be admissible and subject to disclosure in any proceeding to enforce  
8 its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under  
9 federal or state law.

10 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint  
11 Stipulation of Settlement and Release Between Plaintiff and Defendants as of the date(s) set forth below:  
12

13 **SIGNATURES**

14 **READ CAREFULLY BEFORE SIGNING**

15  
16 **PLAINTIFF: Mercedes Castro**

17  
18 Dated: 11 / 22 / 2023

*Mercedes Castro*

Mercedes Castro

19  
20  
21  
22 **DEFENDANT: Reseda Discount Corporation**

23  
24 Dated: \_\_\_\_\_

By: \_\_\_\_\_

25 Its: \_\_\_\_\_

26  
27 **DEFENDANT: RDC Collective Corp.**  
28

1 La Jolla, CA 92037

2 95. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good  
3 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this  
4 Settlement Agreement.

5 96. Binding Agreement. The Parties warrant that: 1) they understand and have full authority  
6 to enter into this Agreement; 2) they intend that this Agreement will be fully enforceable and binding  
7 on all Parties; and 3) agree that it will be admissible and subject to disclosure in any proceeding to enforce  
8 its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under  
9 federal or state law.

10 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint  
11 Stipulation of Settlement and Release Between Plaintiff and Defendants as of the date(s) set forth below:  
12

13 **SIGNATURES**

14 **READ CAREFULLY BEFORE SIGNING**

15  
16 **PLAINTIFF: Mercedes Castro**

17  
18 Dated: \_\_\_\_\_

19 \_\_\_\_\_  
20 Mercedes Castro

21  
22 **DEFENDANT: Reseda Discount Corporation**

23  
24 Dated: 11/29/23

25 DocuSigned by:  
26 *Woo Yi*  
27 \_\_\_\_\_  
28 ADBCCE16C3BD459...

CEO  
Its: \_\_\_\_\_

**DEFENDANT: RDC Collective Corp.**

DocuSigned by:

Woo Yi

By: \_\_\_\_\_  
ADBCE16C3BD459...

CEO

Its: \_\_\_\_\_

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# **Exhibit A**

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL**

*Mercedes Castro v. Reseda Discount Corporation and RDC Collective Corp.*

Superior Court of the State of California, Los Angeles County

Case No. 22STCV36812

*You are **not** being sued. This is **not** an advertisement. This notice affects your rights.*

**YOU ARE ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT.**

**PLEASE READ THIS NOTICE CAREFULLY.**

You have received this Notice of Class Action Settlement because Reseda Discount Corporation and RDC Collective Corp.'s records show you are what is called a "Class Member," and are entitled to a payment from this class action settlement ("Settlement"). **Class Members are all persons who worked at least one shift as a non-exempt employee in the State of California for Reseda Discount Corporation and/or RDC Collective Corp., under CA Department of Cannabis Control license # CDPH-10003587 or CDPH-T00000842, from November 21, 2018 to July 31, 2023 ("Class Period").**

On [REDACTED], the Honorable Lawrence Riff of the Superior Court of California for the County of Los Angeles granted preliminary approval of this Class Action Settlement and ordered that all Class Members be notified of the Settlement.

**Unless you choose not to participate in the Settlement (in other words, should you choose to "opt out") by following the procedures described below, you will be considered a "Participating Class Member." If the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement fund, which is estimated to be <<estAmount>>.**

**IF YOU STILL WORK FOR RESEDA DISCOUNT CORPORATION AND/OR RDC COLLECTIVE CORP. PARTICIPATION IN THIS SETTLEMENT WILL NOT AFFECT OR DISRUPT YOUR WORK IN ANY MANNER. YOU WILL NOT BE RETALIATED AGAINST BY DEFENDANTS FOR YOUR PARTICIPATION. California law strictly prohibits retaliation.** Defendants are prohibited by law from taking any adverse action against any Class Member or otherwise targeting, retaliating, or discriminating against any Class Member because of the Class Member's participation in or decision not to participate in this Settlement.

**What Is This Case About?**

Mercedes Castro is an employee of Defendant Reseda Discount Corporation. She is the "Plaintiff" in this case and is suing Reseda Discount Corporation and RDC Collective Corp. (collectively the "Defendants") on behalf of herself and all other Class Members. Plaintiff sued Defendants, alleging: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or premium pay in lieu thereof; (4) failure to reimburse necessary business expenses; (5) failure to provide and maintain complete and accurate records; (6) failure to timely pay wages

Questions? Contact the Settlement Administrator toll free at [REDACTED]

during employment; (7) failure to timely pay wages after employment; (8) civil penalties under the Private Attorneys General Act (“PAGA”); and (9) violations of the Unfair Competition Law based on the foregoing alleged violations of law.

This notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations raised in the Action or the merits of the claims or defenses asserted. The Court has made no ruling on the merits of Plaintiff’s claims or Defendants’ defenses thereto. Defendants deny the merits of Plaintiff’s claims, and deny Plaintiff’s claims are appropriate for class treatment.

By entering into the Settlement, Defendants do not admit, and in fact, expressly deny, all of Plaintiff’s allegations in this case. Specifically, Defendants assert that the Class Members were properly compensated at all times during the Class Period. Defendants further assert that Reseda Discount Corporation and RDC Collective Corp. has maintained lawful wage-and-hour policies, practices, and procedures throughout the entirety of the Class Period.

Plaintiff and Defendants entered into settlement discussions in an attempt to resolve the disputed claims in this case. On June 8, 2023, the Parties negotiated a Settlement on behalf of themselves and the Class Members with the assistance of a third-party mediator. The Parties’ agreement has been documented in a Joint Stipulation of Settlement and Release of Class Action (“Joint Stipulation”). The Court has preliminarily approved the Joint Stipulation. The Court will decide whether to give final approval to the Settlement at the Final Fairness and Approval Hearing. The Final Fairness and Approval Hearing (“Hearing”) on the adequacy, reasonableness, and fairness of the Settlement will be held at [REDACTED] on [REDACTED], in Department 7 of the Superior Court of California for the County of Los Angeles, 312 North Spring Street, Los Angeles, CA 90012. You may, but are not required to, attend the Hearing.

Attorneys for Plaintiff and the Class Members (“Class Counsel”) are:

Elliot J. Siegel  
Julian Burns King  
**KING & SIEGEL LLP**  
(213) 465-4802  
724 S. Spring Street, Ste. 201  
Los Angeles, California 90014

Class Counsel has investigated and researched the facts and circumstances underlying the issues raised in this case and the applicable law. While Class Counsel believes Plaintiff’s claims in this lawsuit have merit, Class Counsel also recognizes that the risk and expense of continued litigation justify settlement. Because of this, Class Counsel believes the proposed Settlement is fair, adequate, reasonable, and in the best interests of the Class Members.

Questions? Contact the Settlement Administrator toll free at [REDACTED]

### **Summary of the Settlement Terms**

Plaintiff and Defendants have agreed to settle this case on behalf of themselves and the Class Members for \$140,000.00 (“Maximum Settlement Amount”).

The Maximum Settlement Amount includes: (1) Individual Settlement Payments to Participating Class Members; (2) subject to Court approval, up to a \$12,000 service payment to the Plaintiff for her time and effort in pursuing this case and in exchange for a general release of claims against Defendants; (3) Settlement Administration Costs not to exceed \$15,000.00; (4) \$11,250 to the California Labor & Workforce Development Agency, representing the State of California’s portion of civil penalties under PAGA (or 75% of \$15,000); and (5) subject to Court approval of an application for fees and costs, an award of up to \$46,666.67 in attorneys’ fees and up to \$15,000 in litigation costs and expenses to Class Counsel. After deducting the service payments to Plaintiff, the Settlement Administration Costs, the payment of \$11,250,000 to settle the PAGA claims with the California Labor and Workforce Development Agency (75% of the \$15,000 PAGA settlement amount), and attorneys’ fees and costs/expenses, a total of approximately \$40,083.33 will be available to Class Members who do not opt out of the Settlement (“Net Settlement Amount”). Employer-side payroll taxes will be paid by Defendants outside of the Maximum Settlement Amount.

### **Plan of Distribution to Class Members**

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of weeks a Participating Class Member worked during the Class Period (“Workweeks”). Specific calculations of Individual Settlement Payments will be made as follows:

- a. The Settlement Administrator will calculate the number of Workweeks per Participating Class Member during the Class Period based on records in Defendants’ possession, custody or control.<sup>1</sup> Workweeks will be determined based on such data as is electronically available in Defendants’ existing timekeeping and payroll data.
- b. Using the Class Data, the Settlement Administrator will calculate the total Workweeks for all Settlement Class Members by adding the number of Workweeks worked by each Settlement Class Member during the Class Period. The respective Workweeks for each Settlement Class Member will be divided by the total Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member.

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<sup>1</sup> Defendants’ Workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Settlement Administrator in consultation with Class Counsel and counsel for Defendants. The Settlement Administrator’s decision on all Workweek disputes will be final and non-appealable.

- c. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated Individual Settlement Payments.
- d. Using the Class Data, the Settlement Administrator will use the total number of Workweeks from November 21, 2021 through July 31, 2023 ("PAGA Release Period"), as the "PAGA Pay Periods." Using the Class Data, the Settlement Administrator will also use the total number of Workweeks for each Settlement Class Member during the PAGA Release Period as each individual's PAGA Pay Periods. The Settlement Administrator will divide each Aggrieved Employee's PAGA Pay Periods by the aggregate number of PAGA Pay Periods of all Aggrieved Employees during the PAGA Release Period to determine each Aggrieved Employee's pro rata portion of the portion of the PAGA payment allocated to Aggrieved Employees. A Class Member's pay periods shall be calculated to the nearest hundredth of a full pay period.
- e. According to Defendants' records, you worked <<Workweeks>> Workweeks during the Class Period. Accordingly, your estimated payment pursuant to the terms of the Settlement is approximately <<estAmount>>.

If you believe the information provided above as to the number of your Individual Workweeks is incorrect and you wish to dispute it, please submit the Challenge Form attached to your Share Form to the Settlement Administrator at *Castro v. Reseda Discount Corporation Settlement Administrator, c/o* no later than 30 days after the date this Notice of Class Action Settlement was mailed to you. The workweek count provided above is assumed to be correct unless you provide documentation to the Settlement Administrator that establishes otherwise. Any disputes, along with supporting documentation ("Disputes"), must be postmarked no later than . **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

#### **Class Members' Taxes Owed on Settlement Payments**

IRS Forms W-2 and 1099-MISC will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments Class Members receive under the Settlement. Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this Settlement, 33% of each Individual Settlement Payment will be allocated to resolve the disputed amount of allegedly unpaid wages, 33% will be allocated to allegedly unpaid civil penalties, and 34% will be allocated to interest. Again, please consult with a tax advisor regarding the significance of how each Individual Settlement Payment is allocated between wages, penalties, and interest. This notice is not intended to provide legal or tax advice. To the extent this notice or any of its attachments is interpreted to contain or constitute advice regarding any United States or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code.

Questions? Contact the Settlement Administrator toll free at \_\_\_\_\_

## **Your Options Under the Settlement**

### **Option 1 – *Automatically Receive a Payment from the Settlement***

If you want to receive your payment from the Settlement, then **no further action is required** on your part. You will **automatically** receive your Individual Settlement Payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1** and the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement funds. In addition, you will be deemed to have released or waived the following claims (“Released Claims”) against the Released Parties for the Release Period.

The “Released Claims” include:

All claims and causes of action alleged in the operative complaint or that reasonably could have been alleged based on the factual allegations and legal theories contained in the operative complaint and/or LWDA letter(s). This includes, but is not limited to, all of the following claims for relief: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or premium pay in lieu thereof; (4) failure to reimburse necessary business expenses; (5) failure to provide and maintain complete and accurate records; (6) failure to timely pay wages during employment; (7) failure to timely pay wages after employment; (8) violations of the Unfair Competition Law based on the Labor Code claims released by this Settlement; (9) civil penalties under the Private Attorneys General Act (“PAGA”) based on the claims and legal theories released by this Settlement; and (10) any other claims, penalties or requests for interest alleged in or arising out of the claims alleged in the First Amended Complaint.

The “Released Parties” are:

Defendants Reseda Discount Corporation and RDC Collective Corp. and their parents, subsidiaries, affiliates, shareholders, members, predecessors, successors, officers, directors, insurers, related entities and divisions, attorneys, and employees.

The Release Period means the period from November 21, 2018 to July 31, 2023.

### **Option 2 – *Opt Out of the Settlement***

If you do not wish to participate in the Settlement, you may exclude yourself from participating by submitting a written “Request for Exclusion from The Class Action Settlement” letter or card to the Settlement Administrator postmarked no later than [REDACTED]. Your written request must expressly and clearly state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *MERCEDES CASTRO V. RESEDA DISCOUNT CORPORATION, ET AL.* LAWSUIT. I UNDERSTAND

Questions? Contact the Settlement Administrator toll free at [REDACTED]

THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT.”

The written request for exclusion must include your name, address, telephone number, and last four digits of your Social Security number (or other Taxpayer Identification Number, if applicable). You must sign, date, and mail your written request for exclusion by U.S. First-Class Mail or equivalent, to the address below.

Castro v. Reseda Discount Corporation Settlement Administrator

c/o \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

The written request to be excluded from the Settlement must be postmarked to the Settlement Administrator not later than \_\_\_\_\_ [30 days from mailing]. If you submit a request for exclusion which is not postmarked by \_\_\_\_\_, your request for exclusion will be rejected, and you will be included in the Settlement Class.

If you choose **Option 2**, you will **no longer** be a Class Member. Therefore, you (1) will **not** receive any payment from the Settlement, with the exception of your pro-rata portion of the employee portion of the settlement of the PAGA cause of action to which allegedly Aggrieved Employees are entitled; (2) will **not** be deemed to have released any claims due to this Settlement with the exception of the PAGA cause of action; and (3) will be **barred** from filing an objection to the Settlement.

**Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

**Option 3 - File an Objection to the Settlement**

If you wish to object to the Settlement, you can mail a written objection to the Settlement Administrator. Your objection should provide: your full name, signature, address, and telephone number, the last four digits of your Social Security number (or other Taxpayer Identification Number, if applicable), the dates you were employed as a non-exempt employee of Reseda Discount Corporation and/or RDC Collective Corp. in California, and your objections to the Settlement, including the reasons you object and any legal support for each objection, together with any evidence in support of your objection. Your objection should be mailed to the Settlement Administrator at the address below, and must be postmarked on or before \_\_\_\_\_.

Castro v. Reseda Discount Corporation Settlement Administrator

c/o \_\_\_\_\_

\_\_\_\_\_

Questions? Contact the Settlement Administrator toll free at \_\_\_\_\_

Telephone: \_\_\_\_\_

You may also appear at the Final Fairness and Approval Hearing set for \_\_\_\_\_ at \_\_\_\_\_ in Department 7 of the Superior Court of California for the County of Los Angeles, located at 312 North Spring Street, Los Angeles, CA 90012, to discuss your objections with the Court and the Parties. All costs associated with your travel and/or appearance at the Hearing must be paid at your own expense. You may appear at the Hearing regardless of whether you submitted a written objection. You may also retain an attorney to represent you at the Hearing at your own expense. All objections or other correspondence must state the name and number of the case, which is *Mercedes Castro v. Reseda Discount Corporation, et al.* Los Angeles County Case Number No. 22STCV36812.

If you choose **Option 3**, you will still be entitled to the money from the Settlement. You will remain a member of the Settlement Class, and if the Court overrules your objections and approves the Settlement, you will receive your Individual Settlement Payment and will be bound by the terms of the Settlement in the same way as Class Members who do not object, including being deemed to have released the Released Claims. You cannot both object to the settlement and exclude yourself. You must choose one option only.

**Additional Information**

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may refer to the pleadings, the Joint Stipulation of Settlement, and other papers filed in this case, which may be inspected at the Office of the Clerk of the Superior Court of California for the County of Los Angeles, during regular business hours of each court day.

All questions by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator or Class Counsel.

You can view a copy of the Preliminary Approval Order and this Notice at [www.\\_\\_\\_\\_\\_](http://www._____.). If the Court gives final approval after the Final Fairness and Approval Hearing, a copy of that order will be posted on the website within 10 days of entry of final approval.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANTS, OR DEFENDANTS' ATTORNEYS WITH QUESTIONS. INSTEAD, YOU MAY CONTACT THE SETTLEMENT ADMINISTRATOR OR CLASS COUNSEL, WHOSE CONTACT INFORMATION IS PROVIDED BELOW:**

**Castro v. Reseda Discount Corporation Settlement Administrator**

c/o \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Questions? Contact the Settlement Administrator toll free at \_\_\_\_\_

Telephone: \_\_\_\_\_

**Class Counsel:**

Elliot J. Siegel

Julian Burns King

**KING & SIEGEL LLP**

(213) 465-4802

724 S. Spring Street, Ste. 201

Los Angeles, California 90014

Questions? Contact the Settlement Administrator toll free at \_\_\_\_\_

**Individual Share Form**

***Mercedes Castro v. Reseda Discount Corporation and RDC Collective Corp.***  
**Superior Court of the State of California, Los Angeles County**  
**Case No. 22STCV36812**

**For all persons who are or previously were employed by Reseda Discount Corporation and/or RDC Collective Corp. (“Defendants”) in the State of California as a non-exempt employee and worked at least one shift from November 21, 2018 to July 31, 2023 (“Class Period”).**

**Your Estimated Payment**

Your total Individual Settlement Payment is currently estimated at \$ [REDACTED]. Your estimated pro-rata share of the Net Settlement Amount, as defined in the accompanying Notice of Proposed Class Action Settlement and Hearing Date for Court Approval (“Notice”), is: [REDACTED]%. Your estimated pro-rata share may increase depending on factors such as, but not limited to, the number of Class Members who effectively exclude themselves from the Settlement. The Net Settlement Amount to be distributed to all Class Members who do not opt-out of the settlement is currently estimated to be \$ [REDACTED].

Your estimated award is based on your pro-rata percentage of the Net Settlement Amount. Your award is calculated based on your Workweeks as a non-exempt employee in California during the Class Period, as a percentage of all of Class Members’ Workweeks in California during the Class Period, as adjusted per the allocation method set forth in the Joint Stipulation of Settlement and Release of Class Action and the accompanying Notice. “Workweeks” means the number of weeks actually worked by each Class Member as a non-exempt employee of Defendants in California during the Class Period, as set forth in the accompanying Notice. Defendants’ records show that during the Class Period, you worked a total of [REDACTED] Workweeks.

**YOU DO NOT NEED TO DO ANYTHING IN ORDER TO RECEIVE MONEY UNDER THE SETTLEMENT.**

**If you believe the total number of your Workweeks during the Class Period (listed above) is accurate, you do not need to take any further action in order to receive your payment.**

**TO CHALLENGE THE NUMBER OF YOUR WORKWEEKS DURING THE CLASS PERIOD, THE SHARE FORM AND THE CHALLENGE PORTION OF THE FORM BELOW MUST BE SIGNED AND POSTMARKED NO LATER THAN [DATE].**

## CHALLENGE FORM

### Important:

1. You do NOT have to complete this part of the Share Form if the total number of your Workweeks during the Class Period as stated above is accurate.
2. If you do submit this form, it is strongly recommended that you keep proof of timely mailing of this form until receipt of your settlement payment.
3. If you change your mailing address, please provide your new mailing address to the Settlement Administrator. It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment.

***Check the box below ONLY if you wish to challenge the total number of your Workweeks as stated above. All fields on this Challenge Form must be complete for your challenge to be accepted:***

- I wish to challenge the total number of my Workweeks. I have included a written statement detailing what I believe to be the correct number of weeks I was employed as an hourly, non-exempt employee of Defendants in California during the Class Period (November 21, 2018 to July 31, 2023). I have also included information and/or documentary evidence to support my challenge. I understand that by submitting this challenge, I authorize the Settlement Administrator to review Defendants' records and determine the validity of my challenge.

\_\_\_\_\_  
Signature

[preprinted full name of Class Member]

[preprinted address of Class Member]

[preprinted telephone number of Class Member]

[preprinted last 4 digits of Social Security number of other Taxpayer Identification Number, if applicable of Class Member]

[preprinted dates of Class Member's employment with Defendants in California]

I believe that the correct number of Workweeks I was employed by Defendants as an hourly, non-exempt employee in California during the Class Period is: \_\_\_\_\_

The following is a statement of my reasons and documentation to support this number of Workweeks:

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**[Attach documentation and use separate page(s) as necessary]**

Mail to: [preprinted address of Castro v. Reseda Discount Corporation Settlement Administrator]
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**OBJECTION FORM**

*Mercedes Castro v. Reseda Discount Corporation and RDC Collective Corp.*  
Superior Court of the State of California, Los Angeles County  
Case No. 22STCV36812

If you wish to remain a Class Member, but you object to the proposed Settlement (or any of its terms) and want the Court to consider your objection at the Final Fairness Hearing, then you may use this form. Only return this form if you wish to object to the Settlement. If you opt-out of the Settlement, you may not also object.

**To object to the Settlement, complete this Objection Form and mail it to the Settlement Administrator at the address listed below, postmarked no later than [Response Deadline]. You are requested, but not required, to provide supporting documentation for your objection.**

Castro v. Reseda Discount Corporation Settlement Administrator  
c/o \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

**Objection**

I hereby certify that I am or was employed by Reseda Discount Corporation and/or RDC Collective Corp. as a non-exempt, hourly employees who worked at least one shift of 3.5 hours or more in California during the period from November 21, 2018 to July 31, 2023.

I have received the Notice of Proposed Class Action Settlement and Hearing Date for Court Approval (“Notice”) in the Action captioned above. I have decided to object to the proposed Settlement.

Please print legibly:

Full Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_



**OPT-OUT FORM**

*Mercedes Castro v. Reseda Discount Corporation and RDC Collective Corp.*  
Superior Court of the State of California, Los Angeles County  
Case No. 22STCV36812

**This form is to be used only if you want to EXCLUDE yourself from the Settlement.**

**To be excluded from the Settlement, complete this Opt-Out Form and mail it to the Settlement Administrator at the address listed below, postmarked no later than [**Response Deadline**].**

**Castro v. Reseda Discount Corporation Settlement Administrator**

**c/o \_\_\_\_\_**

**\_\_\_\_\_**

**\_\_\_\_\_**

**Telephone: \_\_\_\_\_**

**Request for Exclusion**

I hereby certify that I am or was employed by Reseda Discount Corporation and/or RDC Collective Corp. as a non-exempt, hourly employees who worked at least one shift of 3.5 hours or more in California during the period from November 21, 2018 to July 31, 2023.

I have received the Notice of Proposed Class Action Settlement and Hearing Date for Court Approval (“Notice”) in the Action captioned above, and I request to be excluded from the Settlement. I understand that by submitting this Opt-Out Form, I will not receive any money or other benefits under the Settlement, and I will not be bound by the Settlement, including the release of Released Claims, as described in the Notice and in the Settlement Agreement on file with the Court.

Please print legibly:

Full Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Last Four Digits of Class Member’s Social Security Number: \_\_\_\_\_

Signature of Class Member (or Legal Representative): \_\_\_\_\_

Date: \_\_\_\_\_

# **Exhibit B**

1 Elliot J. Siegel (Bar No. 286798)  
2 elliot@kingsiegel.com  
3 Julian Burns King (Bar No. 298617)  
4 julian@kingsiegel.com  
5 **KING & SIEGEL LLP**  
6 724 South Spring Street, Suite 201  
7 Los Angeles, California 90014  
8 tel: (213) 465-4802  
9 fax: (213) 289-2815

7 Attorneys for Plaintiff and the Settlement Class

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
9 **FOR THE COUNTY OF LOS ANGELES**

11 **Mercedes Castro**, individually and on behalf of  
12 all similarly situated individuals,

13 Plaintiff,

14 vs.

15 **Reseda Discount Corporation**, a California  
16 nonprofit corporation; **RDC Collective Corp.** a  
17 California corporation; and **Does 1-10**, inclusive;

18 Defendants.

CASE NO. 22STCV36812

[Assigned to Honorable Lawrence Riff,  
Department 7]

**CLASS ACTION**

**[PROPOSED] ORDER PRELIMINARILY  
APPROVING CLASS AND  
REPRESENTATIVE ACTION  
SETTLEMENT PURSUANT TO THE  
TERMS OF JOINT STIPULATION RE:  
CLASS ACTION SETTLEMENT**

Date: November 22, 2023 [Reserved]

Time: 10:00 a.m.

Dept.: 7

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1 Plaintiff's Motion for Preliminary Approval of the proposed settlement of this Action on the  
2 terms set forth in the Joint Stipulation of Settlement and Release of Class Action (the "Settlement"  
3 or "Stipulation") came on for hearing on November 22, 2023.

4 Having considered the Settlement, all papers and proceedings held herein, and having  
5 reviewed the entire record in this action, Case No. 22STCV36812, entitled *Mercedes Castro v. Reseda*  
6 *Discount Corporation, et al.* (the "Action"), and good cause appearing, the Court finds that:

7 WHEREAS, Plaintiff Mercedes Castro ("Plaintiff") has alleged claims against Defendants  
8 Reseda Discount Corporation and RDC Collective Corp. ("Defendants") on behalf of herself and  
9 on behalf of others similarly situated, comprising: "*all persons who worked at least one shift as a non-*  
10 *exempt employee in the State of California for Defendant, under CA Department of Cannabis Control*  
11 *License # CDPH-10003587 or CDPH-T00000842, from November 21, 2018 through July 31, 2023"*  
12 (the "Settlement Class" or "Class Members"); and

13 WHEREAS, Plaintiff asserts class, PAGA, and individual claims in the Action against  
14 Defendants for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to  
15 provide meal periods or premium pay in lieu thereof; (4) failure to reimburse necessary business  
16 expenses; (5) failure to provide and maintain complete and accurate records; (6) failure to timely  
17 pay wages during employment; (7) failure to timely pay wages after employment; (8) civil penalties  
18 under the Private Attorneys General Act ("PAGA"); and (9) violations of the Unfair Competition  
19 Law based on the foregoing alleged violations of law.

20 WHEREAS, Defendants expressly deny the allegations of wrongdoing and violations of law  
21 alleged in this Action, and further deny any liability whatsoever to Plaintiff or to the Class Members;  
22 and

23 WHEREAS, without admitting any liability, claim, or defense, Plaintiff and Defendants  
24 (collectively, the "Parties") determined that it was mutually advantageous to settle this Action and  
25 to avoid the costs, delay, uncertainty, and business disruption of ongoing litigation; and

26 WHEREAS, the Parties agreed to resolve the Action and entered into the Stipulation on  
27 August 10, 2023, which provides for the final resolution of all class, PAGA, and individual claims  
28 asserted by Plaintiff against Defendants in the Action, on the terms and conditions set forth in the

1 Stipulation, subject to the approval of this Court;

2 NOW, therefore, the Court grants preliminary approval of the Settlement, and

3 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

4 1. To the extent defined in the Stipulation, incorporated herein by reference, the terms  
5 in this Order shall have the meanings set forth therein.

6 2. The Court has jurisdiction over the subject matter of this Action, Defendants, and  
7 the Class.

8 3. The Class is defined as follows: “*all persons who worked at least one shift as a non-*  
9 *exempt employee in the State of California for Defendant Reseda Discount Corporation and RDC*  
10 *Collective Corp., under CA Department of Cannabis Control License # CDPH-10003587 or CDPH-*  
11 *T00000842, from November 21, 2018 through July 31, 2023.”*

12 4. The First Amended Complaint is hereby deemed filed as the operative Complaint in  
13 this matter.

14 5. The Class is preliminarily certified for the purpose of settlement only.

15 6. The Court has determined that the intended Class Notice, attached to this Order as  
16 **Exhibit 1**, fully and accurately informs all persons in the Class of all material elements of the  
17 proposed Settlement, constitutes the best notice practicable under the circumstances, and  
18 constitutes valid, due, and sufficient notice to all Class Members.<sup>1</sup>

19 7. The Court hereby grants preliminary approval of the Settlement and Stipulation as  
20 fair, reasonable, and adequate in all respects to the Class Members, and **ORDERS** the parties to  
21 consummate the Settlement in accordance with the terms of the Stipulation.

22 8. The plan of distribution as set forth in the Stipulation providing for the distribution  
23 of the Net Settlement Amount to Settlement Class Members is preliminarily approved as being fair,  
24 reasonable, and adequate.

25

26 \_\_\_\_\_  
27 <sup>1</sup> The Settlement Administrator shall file a declaration concurrently with the filing of any motion for  
28 final approval authenticating a copy of every Exclusion or Objection Form received by the Settlement  
Administrator. Further, the Settlement Administrator shall provide notice to any objecting party of  
any continuance of the hearing on the motion for final approval.

1           9.       The Court preliminarily appoints as Class Counsel the following attorneys: Elliot J.  
2 Siegel and Julian Burns King of King & Siegel LLP, 724 S. Spring Street, Suite 201, Los Angeles,  
3 California 90014.

4           10.       The Court preliminarily approves the payment of attorneys' fees in the amount of  
5 \$46,666.67 (or one-third of the Maximum Settlement Amount) to Class Counsel, which shall be  
6 paid from the Maximum Settlement Amount.

7           11.       The Court preliminarily approves the payment of incurred reasonable costs in an  
8 amount not to exceed \$15,000 to Class Counsel, which shall be paid from the Maximum Settlement  
9 Amount as defined in the parties' Stipulation.

10          12.       The Court preliminarily approves a payment in the amount of \$15,000.00 to the  
11 California Labor & Workforce Development Agency, representing the State of California's portion  
12 of civil penalties under PAGA (or 75% of \$15,000), which shall be paid from the Maximum  
13 Settlement Amount.

14          13.       The Court preliminarily approves the payment of incurred reasonable  
15 administration costs to the Settlement Administrator in an amount not to exceed \$15,000, which  
16 shall be paid from the Maximum Settlement Amount.

17          14.       The Court preliminarily approves an enhancement award to the Class  
18 Representative, Mercedes Castro, in the amount of \$12,000 which amount shall be paid from the  
19 Maximum Settlement Amount.

20          15.       The Court preliminarily approves the California Bar's Justice Gap Fund as the *Cy*  
21 *Pres* beneficiary under the Settlement.

22          16.       This Preliminary Approval Order and the Stipulation, and all papers related thereto,  
23 are not, and shall not be construed to be, an admission by Defendants of any liability, claim, or  
24 wrongdoing whatsoever, and shall not be offered as evidence of any such liability, claim, or  
25 wrongdoing in this Action or in any other proceeding.

26          17.       In the event that the Settlement does not become effective in accordance with the  
27 terms of the Stipulation, then this Preliminary Approval Order shall be rendered null and void to  
28 the extent provided by and in accordance with the Stipulation and shall be vacated. In such event,



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j.	Deadline for Defendants to deposit the entire Maximum Settlement Amount under the Settlement, plus all employer-side payroll taxes to the Settlement Administrator	_____ [21 calendar days following the Effective Date of the Settlement]
k.	Deadline for Settlement Administrator to distribute payments to: (a) the Settlement Administrator; (b) the Labor and Workforce Development Agency; (c) Class Representatives; and (d) Class Counsel, in the amount approved by the Court in the Final Approval. The Settlement Administrator shall also send to Participating Class Members their Individual Settlement Payments	_____ [10 calendar days following receipt by the Settlement Administrator of the Maximum Settlement Amount]
l.	Deadline for the Settlement Administrator to file written certification with the Court re: mailing of Individual Settlement Payments	[50 calendar days following the distribution of the Maximum Settlement Amount]

**IT IS SO ORDERED, ADJUDGED, AND DECREED.**

DATED: \_\_\_\_\_

\_\_\_\_\_  
Hon. Lawrence Riff  
Los Angeles County Superior Court Judge

# **Exhibit C**

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

**Mercedes Castro**, individually and on behalf of  
all similarly situated individuals,

Plaintiff,

vs.

**Reseda Discount Corporation**, a California  
non-profit corporation; and **Does 1-10**, inclusive;

Defendants.  
Defendants.

CASE NO. 22STCV36812

[Assigned to Honorable Lawrence Riff,  
Department 7]

**CLASS AND REPRESENTATIVE  
ACTION**

**[PROPOSED] ORDER FINALLY  
APPROVING CLASS AND  
REPRESENTATIVE ACTION  
SETTLEMENT PURSUANT TO THE  
TERMS OF JOINT STIPULATION RE:  
CLASS ACTION SETTLEMENT**

Date: \_\_\_\_\_ [Reserved]

Time: \_\_\_\_\_

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**[PROPOSED] ORDER & JUDGMENT**

Plaintiff’s Motion for Final Approval of the proposed settlement of this Action on the terms set forth in the Joint Stipulation of Settlement and Release of Class Action (the “Settlement” or “Stipulation”) came on for hearing on [REDACTED], 2023.

In conformity with California Rules of Court, rule 3.769, with due and adequate notice having been given to Class Members (as defined in the Settlement Agreement), and having considered the supplemental declaration of the Class Administrator, Settlement Agreement, all of the legal authorities and documents submitted in support thereof, all papers filed and proceedings had herein, all oral and written comments received regarding the Settlement Agreement, and having reviewed the record in this litigation, and good cause appearing, the Court **GRANTS** final approval of the Settlement Agreement and orders and makes the following findings and determinations and enters Final Judgment as follows:

1. All terms used in this order shall have the same meaning as used and/or defined in the Parties’ Settlement Agreement and Plaintiff’s Motion for Order Granting Final Approval of Class Action Settlement. A copy of the Settlement Agreement is attached to the Declaration of Elliot J. Siegel in Support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement as **Exhibit 1** and is made a part of this Order.<sup>1</sup>

2. The Court has personal jurisdiction over the Parties to this litigation and subject matter jurisdiction to approve the Settlement Agreement and all exhibits thereto.

3. The Court finally certifies the Class as defined in the Settlement and as follows:  
*“All persons who worked at least one shift as a non-exempt employee in the State of California for Defendant Reseda Discount Corporation and RDC Collective Corp., under CA Department of Cannabis Control License # CDPH-10003587 or CDPH-T00000842, from November 21, 2018 through July 31, 2023.”*

4. The Court deems this definition sufficient for the purpose of rule 3.765(a) of the California Rules of Court for the purpose of effectuating the Settlement.

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<sup>1</sup> The Court previously granted preliminary approval of the Settlement on November 22, 2023.

1           5.       The Court finds that an ascertainable class of 47 Participating Class Members exists  
2 and a well-defined community of interest exists on the questions of law and fact involved because  
3 in the context of the Settlement: (i) all related matters, predominate over any individual questions;  
4 (ii) the claims of the Plaintiff are typical of claims of the Class Members; and (iii) in negotiating,  
5 entering into and implementing the Settlement, Plaintiff and Class Counsel have fairly and  
6 adequately represented and protected the interest of the Class Members.

7           6.       The Court finds that the Settlement Agreement has been reached as a result of  
8 informed and non-collusive arm's-length negotiations. The Court further finds that the Parties have  
9 conducted extensive investigation and research, and their attorneys were able to reasonably evaluate  
10 their respective positions.

11          7.       The Court finds that the Settlement constitutes a fair, adequate, and reasonable  
12 compromise of the Class's claims and will avoid additional and potentially substantial litigation  
13 costs, as well as the delay and risks of the Parties if they were to continue to litigate the case. After  
14 considering the monetary recovery provided as part of the Settlement in light of the challenges  
15 posed by continued litigation, the Court concludes that Class Counsel secured significant relief for  
16 Class Members.

17          8.       The Court hereby approves the terms set forth in the Settlement Agreement and  
18 finds that the Settlement is, in all respects, fair, adequate, and reasonable, consistent and compliant  
19 with all applicable requirements of the California Code of Civil Procedure, the California and  
20 United States Constitutions, including the Due Process clauses, the California Rules of Court, and  
21 any other applicable law, and in the best interests of each of the Parties and Class Members.

22          9.       The Court is satisfied that CPT Group, Inc. which functioned as the Settlement  
23 Administrator, completed the distribution of Class Notice to the Class in a manner that comports  
24 with California Rule of Court 3.766. The Class Notice informed the prospective Class Members of  
25 the Settlement terms, their right to do nothing and receive their settlement share, their right to  
26 submit a request for exclusion, their rights to comment on or object to the Settlement, and their  
27 right to appear at the Final Approval and Fairness Hearing, and be heard regarding approval of the  
28 Settlement. Adequate periods of time to respond and to act were provided by each of these

1 procedures. [REDACTED] Class Member(s) filed written objections to the Settlement as part of this notice  
2 process; [REDACTED] Class Member(s) filed a written statement of intention to appear at the Final Approval  
3 and Fairness Hearing; and [REDACTED] Class Member(s) submitted a request for exclusion. Those Class  
4 Members who requested exclusion, specifically [REDACTED], will not be bound by the Settlement  
5 and will not receive any portion of the Net Settlement Amount.

6 10. The Court appoints Plaintiff as Class Representative and finds her to be adequate.

7 11. The Court appoints Elliot J. Siegel and Julian Burns King of King & Siegel LLP as  
8 Class Counsel, and finds each of them to be adequate, experienced, and well-versed in class action  
9 litigation.

10 12. The terms of the Settlement Agreement, including the Maximum Settlement  
11 Amount of \$140,000 and the allocation for determining Individual Settlement Payments, are fair,  
12 adequate, and reasonable to the Class and to each Class Member, and the Courts grants final  
13 approval of the Settlement set forth in the Settlement Agreement, subject to this Order.

14 13. The Court further approves the following distributions from the Maximum  
15 Settlement Amount, which fall within the ranges stipulated by and through the Settlement  
16 Agreement:

17 a. The amount of \$ [REDACTED] designated for payment to the Settlement  
18 Administrator is fair and reasonable. The Court grants final approval of it and orders the  
19 Parties to make the payment to the Settlement Administrator in accordance with the  
20 Settlement Agreement.

21 b. The amount requested by Plaintiff and Class Counsel for the Class Counsel's  
22 attorneys' fees, representing one-third of the Maximum Settlement Amount or \$46,666.67  
23 is fair and reasonable in light of the benefit obtained for the Class.<sup>2</sup> The Court grants final  
24 approval of, awards, and orders the Class Counsel fees payment to be made in accordance  
25 with the Settlement Agreement.

26  
27 \_\_\_\_\_  
28 <sup>2</sup> Class Counsel's fee request is supported by its lodestar cross-check, and the Court finds that Class  
Counsel's time spent and hourly rates are fair and reasonable.

1           c.       The Court awards Class Counsel \$ [REDACTED] in litigation costs, which is an  
2 amount which the Court finds to be reflective of the actual and reasonable costs incurred.  
3 The Court grants final approval of Class Counsel’s litigation expenses payment and orders  
4 payment of this amount to be made in accordance with the Settlement Agreement.

5           d.       The \$12,000 class representative incentive payment requested for Named  
6 Plaintiff is fair and reasonable. The Court grants final approval of the payment and orders  
7 the payment to be made in accordance with the Settlement Agreement.

8           e.       The Court approves of the \$15,000.00 allocation assigned for claims under  
9 the Labor Code Private Attorneys General Act of 2004, and orders 75% thereof (*i.e.*,  
10 \$11,250.00) to be paid to the California Labor and Workforce Development Agency in  
11 accordance with the terms of the Settlement Agreement. The remainder is to be paid to the  
12 Aggrieved Employees per the Settlement Agreement.

13       14.       The Court orders the Parties to comply with and carry out all terms and provisions  
14 of the Settlement Agreement, to the extent that the terms thereunder do not contradict with this  
15 order, in which case the provisions of this order shall take precedence and supersede the Settlement  
16 Agreement.

17       15.       All Participating Class Members shall be bound by the Settlement and this order,  
18 including the release of claims as set forth in the Settlement Agreement. Per the Settlement, the  
19 release of claims by any participating Class Member will only take effect upon full and complete  
20 payment of all amounts due by Defendants under the Settlement. In addition, the State of California  
21 and the Aggrieved Employees are bound by the Settlement and release of PAGA claims set forth in  
22 this Order and Judgment.

23       16.       The Parties shall bear their own respective attorneys’ fees and costs except as  
24 otherwise provided in this order and the Settlement Agreement.

25       17.       All checks mailed to the Class Members must be cashed within 120 days after mailing.  
26 Any envelope transmitting a settlement distribution to a class member shall bear the notation,  
27 “YOUR CLASS ACTION SETTLEMENT CHECK IS ENCLOSED.”

28

1           18.     Plaintiff shall file with the Court a report regarding the status of distribution no later  
2 than fifty (50) days after all funds have been distributed.

3           19.     The Court approves the California Bar’s Justice Gap Fund as the *Cy Pres* Beneficiary  
4 and finds that it complies with all requirements under C.C.P. § 384. Per Section 384(b), the Court  
5 will amend this Judgment after Counsel provides the Court with the report regarding distribution  
6 of funds to direct that any uncashed funds be paid to the California Bar’s Justice Gap Fund.

7           20.     No later than 10 days from this Order, the Settlement Administrator shall give notice  
8 of judgment to Class Members pursuant to California Rules of Court, rule 3.771(b) by posting a copy  
9 of this Order and Final Judgment on its website assigned to this matter.

10          21.     The Court retains continuing jurisdiction over the Action and the Settlement,  
11 including jurisdiction pursuant to rule 3.769(h) of the California Rules of Court and Code of Civil  
12 Procedure section 664.6, solely for purposes of (a) enforcing the Settlement Agreement,  
13 (b) addressing settlement administration matters, and (c) addressing such post-judgment matters  
14 as may be appropriate under court rules or applicable law.

15          22.     This Final Judgment is intended to be a final disposition of the above-captioned  
16 action in its entirety and is intended to be immediately appealable. This Final Judgment resolves all  
17 claims released by the Settlement Agreement against Defendants.

18          23.     The Court hereby sets a hearing date of [redacted] at [redacted] a.m./p.m. for a  
19 hearing on the final accounting and distribution of the settlement funds.

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**IT IS SO ORDERED, ADJUDGED, AND DECREED.**

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DATED: \_\_\_\_\_

\_\_\_\_\_  
Hon. Lawrence Riff  
Los Angeles County Superior Court Judge

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