

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

DAPNE PULIDO, an individual, on behalf of herself, the State of California, as a private attorney general, and on behalf of all others similarly situated,

Plaintiff,

v.

REDUX LLC, a California limited liability company; and
DOES 1 TO 50,

Defendants.

Case No.: VRI2304544

Notice of Proposed Class Action Settlement

A court authorized this notice. This is not a solicitation from a lawyer.

Notice of Proposed Class Action Settlement

You may be eligible to receive a settlement payment. Please read this notice carefully.

A proposed class action settlement agreement has been reached between: (1) Plaintiff Dapne Pulido (“Plaintiff”), individually and in her representative capacity on behalf of a group of prospective class members defined below, and as a private attorney general on behalf of the State of California; and (2) Defendant Redux LLC (“Defendant”). A copy of the Settlement Agreement and Release of Class Action (the “Settlement”) is attached as Exhibit A to the Declaration of Jonathan Melmed in Support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement filed with the California Superior Court for the County of Riverside on August 13, 2024, which can be located at 4050 Main Street Riverside, CA 92501 or

<https://epublicaccess.riverside.courts.ca.gov/publicportal/?q=user/login&destination=node/379>

The Settlement resolves disputed claims against Defendant arising out of its compensation practices during the period from August 29, 2019, through October 11, 2023 (the “Class Period”) as applied to all individuals who are or were employed by Defendant as non-exempt employees in California, and who have not previously settled the Released Claims against Defendant, for claims that accrued during the Class Period (“Class Members”).

The Settlement also resolved claims for penalties pursuant to the Private Attorneys General Act (“PAGA”), a law which allows Plaintiff to attempt to recover penalties on behalf of the State of California and on behalf of employees who Plaintiff claims were “aggrieved” by alleged wage and hour violations on the part of Defendant. “PAGA Settlement Class” refers to all individuals who are or were employed by Defendant as non-exempt employees in California, and who have not previously settled the Released Claims against Defendant, for claims that accrued from August 29, 2022, through October 11, 2023.

The Court has granted preliminary approval of the Settlement and ordered this notice to be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights. The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and that any determination of these issues will be made at the Final Approval Hearing.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT: If you are a Class Member (as defined above) and received this notice, you are automatically included in the Settlement and do not need to take any further action to receive a payment. If you accept your settlement amount, you will release the claims described below.

1. **DESCRIPTION OF THE LAWSUIT**

On August 29, 2023, Plaintiff, individually and in her representative capacity on behalf of the Class Members, and as a private attorney general on behalf of the State of California, is pursuing a lawsuit against Defendant in the Superior Court of the State of California for the County of Riverside in the matter of *Dapne Pulido v. Redux LLC*, case number **VRI2304544** (the “Action”). The Action sought recovery for Defendant’s alleged: (1) failure to pay minimum wage for all hours worked; (2) failure to pay proper overtime wages; (3) failure to provide compliant rest periods and pay missed rest break premiums; (4) failure to provide compliant meal periods and pay missed meal period premiums; (5) failure to maintain accurate employment records; (6) failure to pay timely wages during employment; (7) failure to pay all wages due and owing at separation; (8) failure to provide complete and accurate wage statements; and (9) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair Competition Law.

Defendant denies all liability, denies all allegations in the Action, and has raised various defenses to the claims. Defendant asserts that it fully complied with all applicable wage and hour laws, and contends that civil penalties under PAGA are not warranted. Defendant also denies that the Action is suitable for class certification. Defendant has entered into the Settlement solely for purposes of resolving this dispute to avoid costly, disruptive, and time-consuming litigation and does not admit to any wrongdoing or liability.

The Court has not ruled on the merits in the Action. By approving the Settlement and issuing this notice, the Court is *not* suggesting which side would win or lose the case if it went to trial or whether the claims are suitable for class certification. To avoid the additional expense, inconvenience, and risk of continued litigation, however, Plaintiff and Defendant (the “Parties”) have concluded that it is in their respective best interests and the interests of the Class Members to settle the Action on the terms summarized in this notice. The Settlement was reached after Defendant provided extensive information and documents to Plaintiff’s counsel, and after lengthy arms-length non-collusive negotiations between the Parties, including mediation with an experienced and well-respected mediator in California. In these negotiations, both sides recognized the substantial risk of the Court deciding against them at trial and determined that the Settlement was a fair, reasonable, and adequate way to resolve the disputed claims.

Plaintiff and Plaintiff’s counsel—Jonathan Melmed, Laura Supanich, and Maria Burciaga of Melmed Law Group P.C. (“Class Counsel”)—support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendant, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation. Plaintiff and Class Counsel believe that the settlement described in this notice is fair, adequate, reasonable, and in the best interests of Plaintiff and the Class Members.

Under the Settlement, the following settlement class will be certified under California law: all individuals who are or were employed by Defendant as non-exempt employees in California, and who have not previously settled the Released Claims against Defendant, for claims that accrued during the Class Period. The “Class Period” is defined as the period from August 29, 2019, through October 11, 2023. The Settlement provides for a gross settlement amount of \$195,000.00, a share of which is to be distributed to the Class Members based on the pro rata number of weeks worked by the Class Members during the Class Period as a proportion of all weeks worked by all Class Members. In exchange for their share of the settlement amount, all participating Class Members will be deemed to have released Defendant from liability on the terms described in this notice.

On October 4, 2024, the Court preliminarily approved the Settlement and conditionally certified the settlement class. This notice is being sent to you because Defendant’s records indicate that you worked for Defendant during the Class Period and that you meet the definition required to be treated as a Class Member.

2. **IF YOU ARE STILL EMPLOYED BY DEFENDANT, THIS SETTLEMENT WILL NOT AFFECT YOUR EMPLOYMENT.**

California law strictly prohibits retaliation. Further, Defendant is prohibited by law from taking any adverse action against or otherwise target, retaliate, or discriminate against any Class Member because of the Class Member’s participation or decision not to participate in the Settlement.

3. **TERMS OF THE SETTLEMENT**

Defendant has agreed to pay \$206,197.48 (the “Gross Settlement Amount”) to resolve the claims in the Action. The Parties agreed to the following payments from the Gross Settlement Amount:

1. **Settlement Administration Costs.** The Court has approved ILYM Group, Inc. to act as the “Settlement Administrator,” who is sending this notice to you and will perform many other duties relating to the Settlement. Under the Settlement, up to \$15,000.00 will be paid from the Gross Settlement Amount to pay the Settlement Administration Costs.
2. **Attorneys’ Fees and Expenses.** Class Counsel have been prosecuting the Action on behalf of the Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. To date, the Parties have aggressively litigated many aspects of the case including investigation, settlement efforts, and a full-day mediation session. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Gross Settlement Amount. Class Members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of one-third of the Gross Settlement Amount (i.e., \$65,000.00) as reasonable compensation for the work Class Counsel performed and will continue to perform in the Action. Class Counsel also will ask for reimbursement of up to \$15,000.00 for the costs Class Counsel incurred in connection with the Action.
3. **Service Payment to Class Representative.** Class Counsel will ask the Court to provide a service payment to Plaintiff in the amount of \$5,000.00 for Dapne Pulido to compensate her for her efforts on behalf of the Class Members in the Action, including assisting in the investigation and consulting with Class Counsel and providing crucial documents to Class Counsel. Plaintiff also may receive a share of the Settlement as a Class Member.
4. **PAGA Payment.** The Parties have agreed on a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$40,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$30,000.00) to the LWDA and twenty-five percent (25%) (i.e., \$10,000.00) to the individuals who come within the definition of an “aggrieved employee” for the purposes of the Settlement (i.e., all individuals who are or were employed by Defendant as non-exempt employees in California, and who have not previously settled the Released Claims against Defendant, for claims that accrued during the PAGA Period). The “PAGA Period” is defined for these purposes to mean the period from August 29, 2022, through October 11, 2023.

After deducting the amounts above, the balance of the settlement amount will form the “Net Settlement Amount” for distribution to the Class Members.

4. DISTRIBUTION OF THE SETTLEMENT TO THE CLASS MEMBERS

Each eligible Class Member who does not request exclusion from the Settlement will be deemed a “Class Participant” and will receive a share from the Net Settlement Amount which will be distributed pro rata based on the proportional number of weeks worked by each Class Member during the Class Period (the “Individual Settlement Amount”). If any Class Member requests exclusion from the Settlement, his or her share will be distributed to the remaining Class Participants.

Forty percent (40%) of each Individual Settlement Amount will constitute payment in the form of wages (and each Class Participant will be issued an IRS Form W-2 for such payment to him or her), and Sixty percent (60%) of each Individual Settlement Amount will constitute penalties and interest (and each Class Participant will be issued an IRS Form 1099 for such payment to him or her).

Defendant, or its proxies, shall take all usual and customary deductions from the Individual Settlement Amount payments that are distributed as wages, including, but not limited to, state and federal tax withholding, disability premiums, and unemployment insurance premiums. There will be no deduction taken from the interest or penalty distribution—it will, however, be reported on IRS Form 1099 as income. Class Participants are responsible for the proper income tax treatment of their Individual Settlement Amount. The Settlement Administrator, Defendant and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

The workweeks you worked for Defendant during the Class Period will be calculated based on Defendant’s records. If you feel that you were not credited with the correct number of workweeks worked during the Class Period, you may submit evidence to the Settlement Administrator on or before **December 6, 2024**, with documentation to establish the number of workweeks you claim to have actually worked during the Class Period. **Documentation sent to the Settlement Administrator will not be returned or preserved, so do not send originals.** The Parties and the Settlement Administrator will promptly evaluate the evidence submitted and discuss in good faith how many workweeks should be credited. The Settlement Administrator will make the final decision as to how many weeks

are credited and report the outcome to the Class Participant. If you are unsatisfied with the decision, you may submit an objection, which is explained below.

Settlement checks will be mailed to all Class Participants after the Court grants final approval of the Settlement and judgment is entered.

5. THE RELEASE OF CLAIMS

If the Court approves the Settlement, the Court will enter judgment and the Settlement will bind all Class Participants. The Class Participants will then be barred from bringing any “Released Claims” against the “Released Parties” as those terms are defined below.

The “Released Parties” are Defendant and all of Defendant’s subsidiaries, affiliates, shareholders, members, agents, predecessors, successors, and assigns, to the extent this definition comports with Case Management Order #1 which shall control the scope of all releases.

The “Released Claims” are those claims arising out of or related to the allegations set forth in the operative complaint and/or PAGA notice to the California Labor and Workforce Development Agency that arose during the Class Period and/or PAGA Period, including claims for: **(1)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the applicable IWC Wage Order(s); **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); **(3)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); **(4)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); **(5)** failure to maintain accurate employment records in violation of Labor Code section 1174; **(6)** failure to pay timely wages during employment in violation of Labor Code sections 204, 210; **(7)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; **(8)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; **(9)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair Competition Law (Bus. & Prof. Code, sections 17200–17210); **(10)** statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, sections 2698–2699.6); and **(11)** all claims for liquidated damages, penalties, interest, fees, costs based on the foregoing. To the extent this definition comports with Case Management Order #1 which shall control the scope of all claims released. No other claims are released other than those claims specifically plead in the operative complaint in the Action.

The Settlement does *not* release Defendant or any person, party, or entity from claims, if any, by Class Members for workers compensation, unemployment, or disability benefits of any nature. Nor does it release any claims, actions, or causes of action which may be possessed by Class Members under state or federal discrimination statutes, including, without limitation, the California Fair Employment and Housing Act (Gov. Code, sections 12900–12996); the Unruh Civil Rights Act (Civ. Code, sections 51); the California Constitution; Title VII of the Civil Rights Act of 1964 (42 U.S.C. sections 2000, et seq.); the Americans with Disabilities Act (42 U.S.C. section 12101, et seq.); the Employee Retirement Income Security Act of 1974 (29 U.S.C. sections 1001 et seq.); and all of their implementing regulations and interpretive guidelines.

Class Members who do not request exclusion from the Settlement will be deemed to have acknowledged and agreed that their claims for wages and penalties in the Action are disputed, and that the Settlement payments constitute payment of all sums allegedly due to them. Class Members will be deemed to have acknowledged and agreed that California Labor Code section 206.5 is not applicable to the Settlement payments. That section provides in pertinent part as follows:

“An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.”

6. YOUR OPTIONS

6.1. DO NOTHING AND RECEIVE YOUR PORTION OF THE SETTLEMENT

If you do nothing, you will be automatically included as a Class Participant in the Settlement and will receive a settlement payment. You do *not* have to take any further action to receive your settlement payment. It is, however, the responsibility of all Class Members to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or a settlement payment. The estimated amount of your individual settlement payment if you do nothing is \$<<MERGED_ClassAward>>.

The PAGA Settlement Class members shall have no right or ability to opt out of the portion of this Settlement Agreement releasing PAGA Released Claims. The estimated amount of your PAGA settlement payment is \$<<MERGED_PAGAAward>>. The Settlement Administrator shall issue to members of the PAGA Settlement Class an IRS Form 1099 reflecting such payment.

6.2. REQUEST EXCLUSION FROM THE CLASS AND THE SETTLEMENT

If you do **not** wish to take part in the class action portion of the Settlement (the “Class Settlement”), you may exclude yourself (i.e., opt out of the Class Settlement) by completing and sending to the Settlement Administrator the attached Exclusion Form.

Send the request for exclusion directly to the Settlement Administrator at the following address **by no later than December 6, 2024**:

ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781
Telephone: (888) 250-6810
Fax: (888) 845-6185
Email: claims@ilymgroup.com

Any person who submits a timely request for exclusion from the Class Settlement shall, upon receipt, no longer be a Class Member, shall be barred from participating in the Class Settlement, and shall receive no benefits from the class action portion of the Settlement. If you want confirmation of receipt of your request for exclusion, please send it by United States certified mail, return receipt requested, or contact the Settlement Administrator.

Importantly, Class Members who timely and validly request exclusion from the Class Settlement will *not* be excluded from their share of the PAGA Payment. Requesting exclusion from the Class Settlement applies solely to the Class Members’ entitlement to the class action portion of the Settlement and not their entitlement to the PAGA Payment. If you request exclusion from the Class Settlement you will still be entitled to your share, if any, of the PAGA Payment.

6.3. OBJECT TO THE SETTLEMENT

You have the right to object to the terms of the Settlement if you do not request exclusion. If, however, the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may complete and file with the Settlement Administrator and the Court the attached Objection Form. Objections in writing must be mailed to the Settlement Administrator— ILYM Group, Inc. P.O. Box 2031, Tustin, CA 92781—by no later than **December 6, 2024**, to be considered. **Objections that do not include all required information, or that are not timely submitted, might not be considered by the court.**

If you choose to object to the Settlement, you may also appear to speak at the final approval and fairness hearing scheduled for January 21, 2025, at 8:30 a.m. in Department 1 of the Superior Court of the State of California for the County of Riverside, located at the Riverside Historic Courthouse, 4050 Main Street Riverside, CA 92501. You have the right to appear either in person or through your own attorney at this hearing.

If you object to the Settlement, you will remain a Class Member, and if the Court approves the Settlement, you will receive payment and be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided above shall have waived any objection to the Settlement, whether by appeal or otherwise.

The Court may, at the time of the final approval and fairness hearing, have certain social distancing requirements or procedures for attendance at hearings. If you wish to object to the Settlement by speaking at the final approval and fairness hearing, you may contact Class Counsel, whose information is provided below, for more information about the Court’s current social distancing procedures. You may also review the Court’s website for the most current information.

7. HOW TO UPDATE OR CHANGE YOUR ADDRESS

If you move after receiving this notice or if it was misaddressed, please contact the Settlement Administrator, ILYM Group, Inc., at (888) 250-6810 or by email at claims@ilymgroup.com, as soon as possible. **This is important to ensure that future notices and/or the Settlement payment reach you.**

8. NOTICE OF FINAL JUDGMENT IF THE SETTLEMENT IS APPROVED

Within seven (7) days after the Court has held a final and fairness approval hearing and entered a final order approving the Settlement, if it chooses to do so, the Settlement Administrator will post a copy of that order and final judgment on its website at the following website address: <https://ilymgroup.com/ReduxLLC>.

9. IF THE SETTLEMENT IS NOT APPROVED

If the Settlement is not approved by the Court, or if any of its conditions are not satisfied, the Settlement may be voided, in which case no money will be paid, and the case will return to litigation. If that happens, there is no assurance: **(1)** that the class will be certified by the Court; **(2)** that any decision at trial would be in favor of Class Members; **(3)** that a trial decision, if any, would be as favorable to the Class Members as the Settlement; or **(4)** that any favorable trial decision would be upheld if an appeal was filed.

10. QUESTIONS OR COMMENTS

PLEASE DO NOT CALL OR CONTACT THE COURT. If you have any questions about the settlement, you may contact the Settlement Administrator at: **(888) 250-6810** or by e-mail at claims@ilymgroup.com. You may also contact Class Counsel at the addresses or phone numbers listed below.

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