

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

PAMELA LAPLANTE, 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.

THE FLOOR STORE, INC., a California corporation;
and DOES 1 TO 50,

Defendants.

Case No.: 22CV397281

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 (the “Settlement”) has been reached between: (1) Plaintiff Pamela LaPlante (“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 The Floor Store, Inc. (“Defendant”). The Settlement resolves disputed claims against Defendant arising out of its compensation practices during the period from April 25, 2018, through **June 12, 2023** (the “Class Period”) as applied to all individuals who are or were employed by Defendants as salespersons, and/or design consultants, or similar positions, in California during the Class Period (“Class Members”).

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.

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

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 Santa Clara in the matter of *Pamela LaPlante v. The Floor Store, Inc.*, case number **22CV397281** (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; (9) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair Competition Law; and (10) civil penalties under California’s Private Attorney General Act (“PAGA”).

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 the 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, Anne Kramer, 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 Defendants as salespersons, and/or design consultants, or similar positions, in California during the Class Period. The “Class Period” is defined as the period from April 25, 2018, through **June 12, 2023**. The Settlement provides for a gross settlement amount of \$1,000,000.00, 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 **June 12, 2023**, 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 \$1,000,000.00 (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 \$10,000.00 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., \$333,333.33) 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 \$7,500.00 for Pamela LaPlante 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 \$100,000.00. 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., \$75,000.00) to the LWDA and twenty-five percent (25%) (i.e., \$25,000.00) 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 Defendants as salespersons, and/or design consultants, or similar positions, in California during the PAGA Period). The "PAGA Period" is defined for these purposes to mean the period from April 25, 2021, through **June 12, 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.

Twenty percent (20%) 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 Eighty percent (80%) 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).

All usual and customary deductions will be taken 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 **August 24, 2023**, 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 "The Floor Store, Inc.," and all of Defendant's subsidiaries, affiliates, shareholders, members, agents, officers, directors, employees, predecessors, successors, and assigns.

The "Released Claims" are those claims arising out of or related to the allegations set forth in the Action and/or the PAGA notice to the California Labor & Workforce Development Agency, which arose during the Class 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 Wage Order; (2) failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Order; (3) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Order; (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 Wage Order; (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, §§ 17200–17210); (10) civil penalties under PAGA; and (11) all claims for liquidated damages, penalties, interest, fees, costs based on the foregoing. No other claims are released other than those claims specifically pleaded in the operative complaint in the Action.

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 settlement payment if you do nothing is included on the attached Class Action Settlement Share Form.

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 sending the Settlement Administrator a letter or card postmarked no later than **August 24, 2023**, that specifically requests exclusion from the Class Settlement in this case. The request for exclusion must include your name, address, telephone number, and signature, and it should state:

“I wish to be excluded from the settlement class in the case of *Pamela LaPlante v. The Floor Store, Inc.* I understand that if I ask to be excluded from the settlement class, I will not receive any money from the settlement of this lawsuit and will not be releasing any claims I might have.”

Send the request for exclusion directly to the Settlement Administrator at the following address **by no later than August 24, 2023**:

LaPlante v. The Floor Store, Inc
c/o ILYM Group, Inc.
P.O. Box 2031, Tustin, CA 92781

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 file with the Settlement Administrator and the Court a written objection stating your name, address, telephone number, dates of employment with Defendant, the case name and number, each specific reason in support of your objection, and any legal support for each objection. Objections in writing must be mailed to the Settlement Administrator—ILYM Group, Inc., **P.O. Box 2031**, Tustin, CA 92781—by no later than **August 24, 2023**, 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 **October 25, 2023**, at **1:30 p.m.** in Department **19** of the Superior Court of the State of California for the County of Santa Clara, located at **191 N 1st St, San Jose, CA 95113**. You have the right to appear either in person or through your own attorney at this hearing, at your own expense.

Class Members may appear at the final approval hearing remotely using the Microsoft Teams link for Department 19 (Afternoon Session). Instructions for appearing remotely are provided at https://www.sccourt.org/general_info/ra_teams/video_hearings_teams.shtml and should be reviewed in advance. Class members who wish to appear remotely are encouraged to contact class counsel at least three days before the hearing if possible, so that potential technology or audibility issues can be avoided or minimized.

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: www.ILYMgroup.com/TFS

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.

Lawyers Representing Plaintiff and the Class Members

MELMED LAW GROUP P.C.

Jonathan Melmed

jm@melmedlaw.com

Laura Supanich

lms@melmedlaw.com

Anne Kramer

ak@melmedlaw.com

Maria Burciaga

mb@melmedlaw.com

1801 Century Park East, Suite 850

Los Angeles, California 90067

Phone: (310) 824-3828

Fax: (310) 862-6851

CLASS ACTION SETTLEMENT SHARE FORM

Pamela LaPlante v. The Floor Store, Inc.

Case Number 22CV397281

Superior Court of the State of California for the County of Santa Clara

The proposed class action settlement agreement (the “Settlement”) described in the accompanying *Notice of Proposed Class Action Settlement* resolves disputed claims against Defendant The Floor Store, Inc. (“Defendant”) arising out of its compensation practices during the period from April 25, 2018, through **June 12, 2023** (the “Class Period”) as applied to all individuals who are or were employed by Defendants as salespersons, and/or design consultants, or similar positions, in California during the Class Period (“Class Members”).

You are receiving this form because you are believed to be a Class Member. **According to Defendant’s records, you worked <<WEEKS>> workweeks for Defendant during the Class Period. Accordingly, your share of the Settlement is currently estimated to be \$<<ESA>>, which is an estimate of your allocated portion the Net Settlement Amount, as that term is defined in the accompanying Notice of Proposed Class Action Settlement. Your estimated share of the Settlement may increase depending on factors such as, but not limited to, the number of Class Members who effectively exclude themselves from the Settlement. Further, according to Defendant’s records, you worked <<PP>> pay periods for Defendants during the PAGA Period. Accordingly, your share of the PAGA Settlement is currently estimated to be \$<<ESA>>.**

You do not need to do anything to receive money under the Settlement.

If you believe the information provided above as to the number of your workweeks is incorrect and wish to dispute it, please contact the Settlement Administrator no later than **August 24, 2023**, at:

LaPlante v. The Floor Store
c/o ILYM Group, Inc.
P.O. Box 2031, Tustin, CA 92781
E-mail: claims@ILYMgroup.com
Telephone: (888) 250-6810
Website: www.ILYMgroup.com/TFS

If you dispute the information stated above, the information Defendant provided to the Settlement Administrator will control unless you are able to provide documentation that establishes otherwise. Any disputes, along with supporting documentation, must be postmarked no later than **August 24, 2023**.

Do not send originals; documentation sent to the claims administrator will not be returned or preserved.