

NOTICE OF CLASS ACTION SETTLEMENT

Jihyun Kwon v. Wooltari USA, Inc.
Los Angeles County Superior Court Case No. 22STCV37161

IF YOU ARE OR WERE EMPLOYED BY Wooltari USA, Inc. (“Defendant”) as a non-exempt employee who worked either directly or via a staffing agency in California anytime between November 23, 2018, and September 11, 2023, YOU ARE ENTITLED TO RECEIVE MONEY FROM A CLASS ACTION SETTLEMENT.

A court approved this notice. This is not an advertisement.

You are not being sued. However, your legal rights are affected whether you act or not.

PLEASE READ THIS NOTICE.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
INCLUDE THE FOLLOWING:	
DO NOTHING	If you do nothing, you will <u>automatically</u> receive a payment from the Settlement. No action is required for you to receive a share of this Settlement.
EXCLUDE YOURSELF (OPT-OUT OF THE SETTLEMENT)	<p>If you exclude yourself from the Settlement, you will not receive a payment from the Settlement. This is the only option that allows you to file your own lawsuit against Defendant for claims released in this Settlement.</p> <p>However, if you exclude yourself and you are an “Aggrieved Employee” (i.e. employed by Defendant directly or via a staffing agency as a non-exempt employee at any time between January 21, 2022, and September 11, 2023, you will still receive a portion of the monies allocated to settle the claims under the Private Attorneys General Act of 2004 (“PAGA”). See below, at Section 4, for more information.</p>
OBJECT	If you have not requested exclusion, you may object to this Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from receiving a portion of the Settlement. If the Court overrules your objection and approves the settlement, you will receive a portion of the Settlement. See below, at Section 4, for more information.

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1. Why Should You Read This Notice?

This Notice informs you of your rights to share in the Settlement and of the claims being released under the Settlement. You have received this Notice because Defendant’s records indicate that you are or were employed by Wooltari USA, Inc. directly or via a staffing agency as a non-exempt employee sometime between November 23, 2018, and September 11, 2023 (this time period is defined as the “Class Period”), which makes you a Class Member. The Class is comprised of all current and former employees of Wooltari USA, Inc. who were employed directly or via a staffing agency as non-exempt employees in California during the Class Period. All individuals fitting this description are considered “Class Members.”

If you were also employed as a non-exempt employee with Wooltari USA, Inc. anytime between January 21, 2022, and September 11, 2023 (defined as the “PAGA Period”), then you are also an “Aggrieved Employee” and will automatically receive a portion of the PAGA Penalties under this Settlement. All individuals fitting this description within the PAGA Period are considered “Aggrieved Employees.”

The Court preliminarily approved the Settlement on June 7, 2024, in Department 17 in the Los Angeles County Superior Court, State of California. At this hearing, the Court determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable and ordered that you receive this Notice.

The Court will hold a Final Approval Hearing concerning the proposed Settlement on January 3, 2025, at 9:00 a.m. in Department 17 of the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 N Spring St, Los Angeles, CA 90012. The Final Approval Hearing may be continued to another date without further notice.

A. How Will I Know If The Court Changes The Date Or Location Of The Final Approval Hearing?

If the Court changes the date of the Final Approval Hearing, **you will not receive notice of the change**. It is strongly suggested that, prior to the scheduled Final Approval hearing, you: (1) contact the Settlement Administrator to find out if the Final Approval hearing is still scheduled for January 3, 2025, at 9:00 a.m. in Department 17; (2) contact Class Counsel; or (3) check the Court's docket for this Class Action to see if the hearing is still scheduled on January 3, 2025, at 9:00 a.m. in Department 17.

To check the Court's docket, go to www.lacourt.org. Click on "Online Services," then click on the "Access Now" button for "Case Access - Civil." Type in the Case Number "22STCV37161" and click on "Search." The date, time, and location of the Final Approval Hearing will be listed under "Future Hearings." This process is free.

B. I Want To Attend The Hearing. What Are The Court's COVID-19 Procedures?

If you wish to attend the Final Approval Hearing, please check the Court's website for the Court's current social distancing procedures for attendance at hearings – these procedures can change at any time. You can attend the hearing remotely (i.e. by telephone or videoconference) by scheduling a remote appearance through LA Court Connect. Please go to the Court's website (<https://my.lacourt.org/laccwelcome>) and click on "Civil." Follow the prompts to schedule your remote appearance. This process is free. If you need further instructions on how to attend this hearing, please contact the Settlement Administrator or Class Counsel.

C. If I Do Not Go To The Final Approval Hearing, How Will I Know If The Court Granted Final Approval Of The Settlement And Entered Final Judgment?

You may contact the Settlement Administrator or Class Counsel to find out if the Court granted Final Approval of the Settlement and entered Judgment. If you wish to obtain a copy of the Judgment, it will be posted on the Settlement Administrator's website at www.ILYMgroup.com/WooltariUSA and is also available on the Court's docket. To check the Court's docket, go to www.lacourt.org. Click on "Online Services," then click on the "Access Now" button for "Case Access - Civil." Type in the Case Number "22STCV37161" and click on "Search."

2. What Is this Case About?

On November 23, 2022, Plaintiff Jihyun Kwon ("Plaintiff") filed a class action complaint on behalf of herself and all other similarly situated persons employed by Defendant in Los Angeles County Superior Court. The lawsuit alleged various Labor Code claims and was assigned case number 22STCV37161. On March 27, 2023, Plaintiff filed a representative complaint, alleging Defendant's violation of the Private Attorneys General Act of 2004 ("PAGA"), which was assigned case number 23STCV06707 in Los Angeles County Superior Court. On November 11, 2023, Plaintiff amended her class action complaint to incorporate the PAGA allegations and on November 29, 2023, the separately filed PAGA lawsuit was dismissed. Plaintiff Jihyun Kwon is the Class Representative and is acting on behalf of herself and all Class Members.

The lawsuit alleges the following claims: (1) unpaid minimum wages and liquidated damages; (2) unpaid overtime wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to furnish accurate wage statements; (6) failure to timely pay all wages due upon separation of employment; (7) failure to provide one day of rest for every workweek; (8) failure to reimburse business expenses; (9) unfair competition; and (10) violation of PAGA. The lawsuit seeks recovery of unpaid wages, restitution, damages, statutory penalties, civil penalties, interest, attorney's fees and costs.

Defendant denies the allegations raised in the lawsuit and believes it has no liability for any of Plaintiff's or the Class Members' claims under any statute, wage order, common law, or equitable theory. The Court has not expressed any opinion as to the validity of the claims raised in these lawsuits and has not ruled on any of the causes of action prior to the parties' agreement to settle.

The Parties reached a settlement subject to Court approval as represented in the Class Action and PAGA Settlement Agreement (the "Settlement"). Class Counsel believes that the Settlement is fair, reasonable, and adequate, and that it is in the best interests of Class Members. Likewise, Defendant has decided that the settlement is favorable because it avoids the time, risk, and expense of a lengthy lawsuit, and settlement immediately resolves, finally and completely, the pending and potential claims. Defendant does not admit, concede or imply that it has done anything wrong or legally actionable by settling this lawsuit.

3. *How Will Payments Be Made and How Much Can I Expect to Receive?*

Defendant will pay a total sum of \$300,000.00 (“Gross Settlement Amount”). The following payments will be deducted from the Gross Settlement Amount: (1) the Settlement Administrator’s costs and fees incurred to administer this settlement, in an amount estimated not to exceed \$3,999.00; (2) PAGA Penalties of \$20,000.00 (75% or \$15,000.00 of which will be sent to the California Labor and Workforce Development Agency (“LWDA”) and 25% or \$5,000.00 of which will be distributed proportionately to Aggrieved Employees); (3) attorney’s fees, in an amount not to exceed \$100,000.00 (one-third of the Gross Settlement Amount); and (4) litigation costs, in an amount not to exceed \$15,000.00. All of these payments are subject to Court approval and the Court has the discretion to award less than the amounts listed above. Defendant’s portion of payroll taxes as the Class Members’ current or former employer will be paid separately from the Gross Settlement Amount.

A. When Will Payments Be Made?

The \$300,000.00 Gross Settlement Amount will be funded by Defendant in six installment payments: (1) \$50,000.00 no later than 30 days after the Effective Date¹; (2) \$50,000.00 no later than 60 days after the Effective Date; (3) \$50,000.00 no later than 90 days after the Effective Date; (4) \$50,000.00 no later than 120 days after the Effective Date; (5) \$50,000.00 no later than 150 days after the Effective Date; and (6) \$50,000.00 and Defendant’s share of payroll taxes no later than 180 days after the Effective Date.

Within 14 days after Defendant fully funds the Gross Settlement Amount, per the above schedule, the Settlement Administrator will make all payments required under the Settlement Agreement, including mail all checks to Class Members and Aggrieved Employees.

B. How Are Payments to Class Members Calculated?

After deducting the above-referenced items, the remaining Net Settlement Amount will be proportionately distributed amongst all Class Members who have not requested exclusion from the Settlement. Each Class Member’s proportionate share of the Net Settlement Amount will be calculated as follows: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class

Period and (b) multiplying the result by each Participating Class Member’s Workweeks. The number of weeks worked by each Class Member will be derived from Defendants’ records.

C. How Are Payments to PAGA Members Calculated?

Each Aggrieved Employees will receive a proportionate share of the \$5,000.00 earmarked for distribution to Aggrieved Employees. This payment will be calculated by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties \$5,000.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Period Pay Periods. The number of pay periods worked by all PAGA Members will be derived from Defendants’ records.

D. What Is My Estimated Payment?

Although your exact individual settlement payment cannot be precisely calculated until after the time during which Class Members may request to exclude themselves from the Settlement concludes, based upon the calculations above, your estimated individual settlement payments are as follows:

Defendants’ records indicate that you were employed approximately «Esc Weeks» workweeks between November 23, 2018, to September 11, 2023. Based on these records, your total estimated payment as a Class Member would be \$«Class ESA», less applicable taxes. Defendant’s records indicate that you were employed approximately «Ees Pay Periods» pay periods between January 21, 2022, to September 11, 2023. Based on these records, your total estimated payment as an Aggrieved Employee would be \$«PAGA ESA».

E. My Work Week/Pay Period Count Is Incorrect. How Do I Dispute It?

If you think the number of weeks/pay periods you worked during the Class Period or PAGA Period are incorrect, you may contact the Settlement Administrator to dispute your work week/pay period allotment and provide any documentation supporting your dispute.

¹ The “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

This documentation must be returned by mail to the Settlement Administrator and postmarked on or before the **November 22, 2024**, Response Deadline. The postmark date will be the exclusive means to determine whether a dispute was submitted on time.

The Settlement Administrator will investigate your dispute, request additional information from Defendant, and make a final decision as to the number of eligible work weeks/pay periods that should be used to determine your individual settlement payment. Absent evidence demonstrating Defendant’s records are incorrect, Defendant’s records will be presumed correct.

F. How Will My Settlement Payment Be Taxed?

Twenty percent (20%) of each individual settlement payment will be allocated as wages and eighty percent (80%) will be allocated as non-wages for penalties and interest. The portion allocated to wages will be reported on an IRS Form W-2 and the portion allocated to non-wages will be reported on an IRS Form-1099 by the Settlement Administrator. No tax withholding shall be made on the non-wages portion of the individual settlement payment. The Settlement Administrator will issue the checks and IRS Forms to each Class Member.

G. What Happens If I Do Not Cash My Settlement Check?

Any checks issued by the Settlement Administrator must be cashed or deposited within 180 calendar days. After 180 calendar days from the date of mailing, the checks shall become null and void, cancelled, and the uncashed funds shall be sent to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, in the name of those individuals who did not cash their checks to claim at a future date.

H. Moving? Update Your Address With The Settlement Administrator.

It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your payment under the Settlement.

4. *What Are My Rights? How Will My Rights Be Affected?*

The purpose of this Notice is to inform you of the proposed Settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are explained below.

Important Note: Defendant will not retaliate against you in any way for either participating or not participating in this Settlement. California law protects Class Members from retaliation based on their decision to participate in a class action settlement.

DO NOTHING:	If you do nothing and the Court grants final approval of the Settlement, you will become part of this Class Action and <u>automatically</u> receive an individual settlement payment. You will be bound to the release of the Released Claims as defined in the Settlement and the Judgment. You will also give up your right to pursue the Released Claims as defined below.
REQUEST EXCLUSION (“OPT OUT”):	<p>If you do <u>not</u> want to take part in the Settlement, you must mail, e-mail, or fax a written request for exclusion to the Settlement Administrator at ILYM Group, Inc. P.O. Box 2031, Tustin, CA 92781, claims@ilymgroup.com or fax (888) 845-6185</p> <p>The written request for exclusion should include: (a) your name, address, and e-mail address or telephone number; and (b) include a statement demonstrating your intention to exclude yourself from the Settlement.</p> <p>The Request for Exclusion must be postmarked, e-mailed, or faxed on or before November 22, 2024. The postmark or e-mail/fax receipt date will be the exclusive means to determine whether the request for exclusion was submitted on time.</p> <p>Following Final Approval of the Settlement, the Court will enter Judgment. The Judgment will bind all Class Members who do not request exclusion from the Settlement on time. If you request exclusion from the Settlement, you retain your rights to sue the Released Parties for the Released Claims and will not receive an individual settlement payment. However, if you request exclusion from the Settlement and are also an Aggrieved Employee, you will still receive your proportionate payment of the PAGA Penalties.</p>

OBJECT:	<p>If you have not requested exclusion from (i.e. opted out of) the Settlement, you may object to the Settlement, personally or through an attorney, by mailing, e-mailing, or faxing your written objection to the Settlement Administrator at ILYM Group, Inc. P.O. Box 2031, Tustin, CA 92781, claims@ilymgroup.com or fax (888) 845-6185. You may send a written objection to the Settlement Administrator, by fax, email, or mail. You may appear (but are not required) at the Final Approval Hearing, in person or through an attorney.</p> <p>In the alternative, you may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. The Court will hear from any Class Member who attends the Final Approval Hearing and asks to speak regarding his or her objection.</p> <p>The written objection must be postmarked, e-mailed, or faxed on or before November 22, 2024. The postmark or fax receipt date will be the exclusive means to determine whether the written objection was submitted on time. If the Court rejects or overrules your objection, you will receive your individual settlement payment and be bound by the terms of the Settlement.</p>
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Effect of the Settlement on Your Rights:

A. Released Class Claims

The Judgment entered by the Court upon Final Approval of the Settlement shall have *res judicata* effect and be final and binding upon Plaintiff and all Class Members who have not expressly requested to be excluded from the Settlement. Upon Defendant's funding of the full Gross Settlement Amount, Plaintiff and all Class Members who do not request to be excluded from the Settlement, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties² from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Class Action lawsuit Complaint, including: (1) unpaid minimum wages and liquidated damages; (2) unpaid overtime wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to furnish accurate wage statements; (6) failure to timely pay all wages due upon separation of employment; (7) failure to provide one day of rest for every workweek; (8) failure to reimburse business expenses; and (9) unfair competition. This release does not include any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

B. Released PAGA Claims

The Judgment entered by the Court upon Final Approval of the Settlement shall also have *res judicata* effect and be final and binding upon Plaintiffs, PAGA Members, and the California Labor and Workforce Development Agency. If you are an Aggrieved Employee, this Settlement will release the following PAGA Released Claims, regardless of whether or not you requested exclusion from the Settlement.

Upon Defendant's funding of the Gross Settlement Amount, Plaintiff, Aggrieved Employees, and the California Labor and Workforce Development Agency are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the PAGA Action Complaint and the PAGA Notice, including: (1) failure to provide meal periods or compensation in lieu thereof; (2) failure to provide rest periods or compensation in lieu thereof; (3) failure to pay minimum wages; (4) failure to pay overtime wages; (5) violation of California day of rest law; (6) failure to maintain accurate records; (7) failure to furnish accurate itemized wage statements; (8) failure to produce employment records; (9) failure to reimburse business expenses; (10) failure to provide sick leave; (11) failure to provide supplemental paid sick leave; (12) unlawful labor conditions; (13) seating violations; (14) failure to pay vested vacation; (15) failure to timely pay all wages upon separation of employment; and (16) unlawful criminal inquiries.

² "Released Parties" means Wooltari and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

5. Who Are the Attorneys Representing the Parties?

Class Counsel / Plaintiff's Counsel:

Jamie Serb
Michael Jones
Zachary Crosner
CROSNER LEGAL, PC
9440 Santa Monica Blvd., Suite 301
Beverly Hills, CA 90210
Tel: 866-276-7697

Defendants' Counsel:

Elliott Kim
Chong Roh
Law Offices of Elliott Kim
3550 Wilshire Boulevard, Suite 1134
Los Angeles, CA 90010
Tel: 213-388-7900

You do not need to hire your own attorney because Class Counsel are working on your behalf. But, if you want your own attorney, you may hire one at your own cost.

6. How Do I Obtain More Information?

This Notice does not contain all of the terms of the proposed Settlement or all of the details of these proceedings. For more detailed information, you can request copies of documents filed with the Court, free of charge, from Class Counsel or the Settlement Administrator.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may call Class Counsel at the information listed above or contact the Settlement Administrator at (888) 250-6810. Please refer to the Wooltari Class Action Settlement.

Following the Final Approval Hearing, if the Court grants final approval of the settlement and enters a judgment, copies of the Final Approval Order and Judgment will be available on the Settlement Administrator's website: www.ILYMgroup.com/WooltariUSA.

You may also obtain documents filed in these lawsuits from the Court's website for a fee. Click on "Online Services," then click on "Case Document Images." You can create an account or continue as a guest. If you click on the "Continue as a Guest" button, you can type in one of the case numbers ("22STCV37161"), then click on "Search" to access documents on file for each of these lawsuits. You can preview the documents listed on this page or purchase them for a fee.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.