

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

Caesar-Roden v. Yoga Works, Inc.

Los Angeles Superior Court Case Number BC711991

If you are a current or former instructor who worked for Yoga Works, Inc. in California and were paid on a piece-rate basis, you may be entitled to receive money from a class action settlement.

The California Superior Court, County of Los Angeles authorized this notice.

This is not a solicitation from a lawyer.

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

You are receiving this Notice because the Court has preliminarily approved a proposed settlement in a class action filed on behalf of Pilates instructors, yoga instructors, and other teachers or employees who were paid on a piece-rate basis by Yoga Works, Inc. (“Defendant”) in California from July 2, 2014 through July 21, 2019. The proposed settlement will resolve all Released Claims (defined below) against Defendant. A hearing addressing the fairness, adequacy, and reasonableness of the settlement will be held on May 21, 2020 at 10:00 a.m. to determine whether the settlement should receive the Court’s final approval.

If you are a member of the settlement class, you will receive a settlement payment and will be bound by the terms of the release described below, unless you properly submit a timely Request for Exclusion from the settlement (described below). This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement payment if you do not exclude yourself from the settlement. If you do not want to be part of the settlement class, then you must submit a Request for Exclusion (described below) no later than April 6, 2020 otherwise you will be bound by the terms of the settlement.

1. PURPOSE OF THIS NOTICE

The Court has ordered that this Notice be sent to you because you have been identified as a member of the class by Defendant’s records. The purpose of this notice is to provide you with information about the lawsuit and the proposed settlement and to advise you of your options.

2. PERSON ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT

The people eligible to receive a settlement payment are all Pilates instructors, yoga instructors, and other teachers or employees of Yoga Works, Inc. who were paid on a piece-rate basis from July 2, 2014 through July 21, 2019.

3. DESCRIPTION OF THE ACTION

A former instructor of Yoga Works, Inc. (“Plaintiff”) filed a class action complaint against Defendant in the Los Angeles County Superior Court on July 2, 2018 and a First Amended Complaint on December 4, 2018 (the “Action”). Her First Amended Complaint alleges that she and other instructors who worked for Defendant were not paid at least minimum wage for their nonproductive time and rest breaks taken, were not paid all overtime amounts due to them at overtime rates of pay, were not paid reporting time wages, were not provided with compliant meal and rest breaks, were not provided compliant wage statements, were not paid the correct amount for sick leave, were not paid all amounts due at separation, and were not reimbursed for all of their necessary business expenditures. Based on these facts and others, Plaintiff’s First Amended Complaint alleges causes of action for: (1) failure to pay piece-rate employees for nonproductive time and rest breaks taken, (2) failure to pay overtime, (3) failure to pay reporting time wages, (4) failure to provide compliant meal and rest breaks, (5) noncompliant wage statements, (6) failure to pay sick leave wages at the correct hourly rate, (7) failure to pay all amounts due at time of discharge, (8) failure to reimburse necessary expenditures, (9) unfair business practices, and (10) violation of the Private Attorneys’ General Act (PAGA).

Defendant denies all of Plaintiff’s allegations and denies any wrongdoing. Among other things, Defendant contends that all employees have been properly compensated and that Defendant complied with all applicable federal and California labor laws.

The Court has made no ruling on the merits of the alleged claims or the defenses asserted by Defendant. The Court has preliminarily approved the proposed settlement. The Court will decide whether to give final approval to the settlement at a hearing scheduled for May 21, 2020 at 10:00 a.m. (the “Final Approval Hearing”).

FOR MORE INFORMATION CALL 1-800-523-5773.

4. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

Attorneys representing the class (“Class Counsel”) are:

Aaron C. Gundzik Gundzik Gundzik Heeger LLP 14011 Ventura Blvd # 206E Sherman Oaks, CA 91423 Telephone: (818) 290-7461 Facsimile: (818) 918-2316	Daniel M. Holzman CASKEY & HOLZMAN 24025 Park Sorrento, Ste. 400 Calabasas, CA 91302 Telephone: (818) 657-1070 Facsimile: (818) 297-1775
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Attorneys representing Defendant are:

Mia Farber JACKSON LEWIS P.C. 725 South Figueroa Street, Suite 2500 Los Angeles, California 90017-5408 FarberM@jacksonlewis.com Telephone: (213) 689-0404 Facsimile: (213) 689-0430	David Montgomery JACKSON LEWIS P.C. PNC Center 26th Floor 201 E. Fifth Street Cincinnati, OH 45202 Telephone: (513) 898-0050 Facsimile: (513) 898-0051
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5. THE TERMS OF THE PROPOSED SETTLEMENT

The following is a summary of the settlement. The specific and complete terms of the proposed Settlement are stated in the Stipulation of Class Action Settlement (“Settlement Agreement”), a copy of which is filed with the Court. You can also obtain a copy of the Settlement Agreement from Class Counsel (see contact information in Section 4 above) or review it on the following website: <http://www.phoenixclassaction.com/caesar-roden-v-yoga-works/>.

Defendant has agreed to pay \$1,000,000.00 to settle any and all obligations for the claims alleged in the lawsuit. This amount is called the Gross Settlement Amount. The Gross Settlement Amount will be used to cover all payments to the settlement class, settlement administration costs, attorneys’ fees and costs, a service and release payment to the Plaintiff, and funds owed to the state of California in settlement of penalties. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (called the Net Settlement Amount) will be distributed to class members who do not timely submit Requests for Exclusion, as discussed below.

- (a) Attorneys’ Fees and Costs: Class Counsel has worked on this matter without compensation and has advanced funds to pay for expenses necessary to prosecute the class action. Accordingly, under the settlement, Class Counsel may request an amount not to exceed \$333,333 to compensate them for their work on the case, plus their reasonable costs and expenses incurred in the litigation not to exceed \$15,000. Subject to court approval, the attorneys’ fees and costs will be deducted from the Gross Settlement Amount.
- (b) Service and Release Payment: The Plaintiff is requesting a service and release payment not to exceed \$10,000, in addition to the amount she will receive as a member of the class, to compensate her for undergoing the burden and expense of bringing and prosecuting the action, and for the broader release of claims she is required to execute. Subject to court approval, the service and release payment will be deducted from the Gross Settlement Amount.
- (c) Settlement Administration Costs: The Settlement Administrator, Phoenix Settlement Administrators, has advised the parties that the settlement administration costs will not exceed \$17,500. Subject to court approval, the settlement administration costs will be deducted from the Gross Settlement Amount.
- (d) Payment to State of California: A total of \$20,000 of the Gross Settlement Amount will be allocated to settle allegations that Defendant owes penalties to the state for alleged violations of the California Labor Code. Of this amount, \$15,000 (75%) will be paid to the California Labor & Workforce Development Agency (“LWDA”). Subject to court approval, the \$15,000 payment to the LWDA will also be deducted from the Gross Settlement Amount. The other 25%, which is \$5,000, will be distributed to class members as part of the Net Settlement amount discussed below.
- (e) Payments to Settlement Class Members: The remainder of the Gross Settlement Amount (called the Net Settlement Amount) will be distributed to class members who do not exclude themselves from the settlement (called Settlement Class Members). The amount of each Settlement Class Member’s share of the Net Settlement Amount will be calculated by dividing the individual’s total number of qualifying piece-rate units (each “piece-rate unit” represents a class taught by the Settlement Class Member) during the Class Period by the total number of piece-rate units for all Settlement Class Members during the Class Period and multiplying that fraction by the Net Settlement Amount.

6. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT

According to Defendant's record's, you worked a total of <<Units>> piece-rate units during the Class Period. Under the settlement, you will receive approximately \$<<Sett>>. This amount may increase or decrease based on various factors, including the number of class members who submit Requests for Exclusion, the amounts approved by the Court for attorneys' fees and costs, settlement administration costs, service and release payment to Plaintiff, payment to the LWDA, and disputes by other class members regarding their piece-rate units during the Class Period. **To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.**

7. PAYMENT SCHEDULE

The Settlement Administrator will send out settlement checks to class members after the settlement is finally approved. You will have 180 days after the Settlement Administrator mails your settlement check to cash it; otherwise it will be voided and the amount of your settlement payment will be sent to the California State Controller's Office Unclaimed Property Fund in your name and you will need to contact that agency to obtain your funds. For tax purposes, twenty-five percent (25%) of your settlement payment shall be attributed to wages and reported on a W-2 form; twenty-five percent (25%) as reimbursement of expenses; twenty-five percent (25%) as penalties; and twenty-five (25%) percent as interest. The amount of expense reimbursement, interest, and penalties will be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive.

All monies received by Settlement Class Members under the Settlement which are attributable to wages shall constitute income to such Settlement Class Members solely in the year in which such monies actually are received by the Settlement Class Members. It is expressly understood and agreed that the receipt of Settlement Payments shall not entitle any Settlement Class Member to additional compensation or benefits under any agreement or under any bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor shall it entitle any Settlement Class Member to any increased pension and/or retirement, or other deferred compensation benefits. The Settlement Payments are the sole payments to be made by Defendant to Settlement Class Members in connection with this Settlement, with the exception of Plaintiff (who may also receive a Service and Release Award), and that the Settlement Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Settlement Payments. Furthermore, the receipt of Settlement Payments by Settlement Class Members shall not, and does not, by itself establish any general, special, or joint employment relationship between any Settlement Class Member and Defendant.

8. RELEASE OF CLAIMS

Unless you submit a valid Request for Exclusion (described below), you will release Yoga Works, Inc. and all its present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Claims from all claims under state, federal or local law, whether statutory, common law or administrative law, arising during the Class Period which were made in the First Amended Complaint or which could have been made based upon the facts alleged in the First Amended Complaint, including but not limited to: claims for failure to pay wages for all hours worked (including non-productive time), failure to pay overtime wages, unreimbursed expenses, rest period violations, meal period violations, pay for rest breaks, failure to pay sick leave at proper rates, failure to maintain proper records, itemized wage statement violations, failure to pay reporting time wages, waiting time penalties, declaratory relief arising out of any of the aforementioned claims, claims for violation of the California Business and Professions Code, and claims for violation of the California Private Attorneys General Act, and shall encompass remedies of injunctive relief, punitive damages, liquidated damages, penalties of any nature, interest, fees, and costs. This release is for conduct occurring from July 2, 2014 through July 21, 2019. The claims covered by this release are referred to as the "Released Claims."

9. YOUR OPTIONS

As a member of the settlement class you have four options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below:

(a) You Can Do Nothing.

If you do nothing, you will remain a member of the settlement class and will receive a settlement payment. You will also be bound by the release of claims set forth in Section 8 above. The payment will remain valid and negotiable for one hundred eighty (180) days from the date of the issuance. This deadline to cash the payment shall not be extended for you absent Court Order.

(b) You Can Contest the Calculation of Your Settlement Payment as Stated in this Notice.

You can contest the number of piece-rate units that you worked which is identified for you in Section 6 above. To do so, you must provide the Settlement Administrator with a written explanation of your position. The statement must also include your full name, current address and telephone number, and must identify this case (*Caesar-Roden v. Yoga Works, Inc.*, Case No. BC711991). **You must provide written documentation supporting the number of piece-rate units you believe that you worked; otherwise, the number listed above will be presumed correct.** You must postmark your written statement no later than April 6, 2020. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. The Settlement Administrator will mail you its final determination.

(c) You Can Exclude Yourself from the Settlement Class.

If you do not want to remain a member of the settlement class, you can request exclusion (i.e., opt out) by sending the Settlement Administrator a written Request for Exclusion at the address specified in Section 11 below. The deadline to postmark a Request for Exclusion is April 6, 2020. A Request for Exclusion is a written statement unambiguously requesting to be excluded from the settlement class. The Request for Exclusion must include the case name (*Caesar-Roden v. Yoga Works, Inc.*, Case No. BC711991), your name, current address and telephone number, and the last four digits of your social security number (for verification purposes). You must also sign the Request for Exclusion. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before the deadline, will not be valid.

If you submit a valid and timely Request for Exclusion, you will not be bound by the settlement or the release of claims in Section 8 above; however, you will not receive any money under the settlement. You will also be barred from objecting to this settlement. By opting out of the settlement class, you will retain whatever rights or claims you may have against Defendant.

If you do not submit a timely and valid Request for Exclusion from the settlement class by the deadline specified above, then you will be bound by all terms and conditions of the settlement if it is approved by the Court and by the judgment, and you will receive a settlement payment.

(d) You Can Object to the Settlement.

If you are a member of the settlement class who does not submit a Request for Exclusion from the settlement, you may object to the settlement by sending your written objections to the Settlement Administrator at the address specified in Section 11 below. The deadline to postmark objections is April 6, 2020. Only class members who have not requested exclusion may object to the settlement.

Your objection must state the basis of your objection and include any papers and briefs in support of your position. Your objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (*Caesar-Roden v. Yoga Works, Inc.*, Case No. BC711991).

If you object to the settlement and if the Court approves the settlement notwithstanding your objections, you will be bound by the terms of the settlement and be deemed to have released all of the Released Claims as set forth in Section 8 above, and you will not be permitted to file a Request for Exclusion.

10. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release payment to the Plaintiff, and Class Counsel's request for attorneys' fees and costs, and other issues will be held on May 21, 2020 at 10:00 a.m., in Department 14 of the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 N. Spring Street, Los Angeles, CA 90012. You may attend the Final Approval Hearing and be heard even if you do not submit an objection to the settlement. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time.

11. NON-RETALIATION

Defendant will not retaliate or take any adverse action against a class member for participating in the settlement.

12. ADDITIONAL INFORMATION.

This Notice only summarizes the lawsuit and settlement. For more information, you may inspect the Court file at the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 N. Spring Street, Los Angeles, CA 90012. You may also review the settlement agreement and other documents on-line at <http://www.phoenixclassaction.com/caesar-roden-v-yoga-works/> or you may contact the Settlement Administrator as follows:

Phoenix Class Action Administration Solutions
Telephone: 1-800-523-5773
Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com
Website: <http://www.phoenixclassaction.com/caesar-roden-v-yoga-works/>

You may also contact Class Counsel at the address and telephone number provided in Section 4 above. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the settlement administrator.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

FOR MORE INFORMATION CALL 1-800-523-5773.