

CLASS ACTION/COLLECTIVE ACTION SETTLEMENT NOTICE

Jane Roes 1-2 et al. v. SFBSC Management, LLC, et al.
United States District Court for the Northern District of California, Case No. 3:14-cv-03616-LB

Jane Roe, et al. v. Deja Vu Services, et al.,
United States District Court for the Northern District of California, Case No. 19-cv-03960-LB

**YOU MAY BE ENTITLED TO RECEIVE MONEY UNDER A PROPOSED SETTLEMENT
THIS NOTICE MAY AFFECT YOUR RIGHTS
PLEASE READ THE ENTIRE NOTICE CAREFULLY**

*A court authorized this notice. This is not a solicitation. This is not a lawsuit against you and you are not being sued.
However, your legal rights are affected whether you act or not.*

You are receiving this Class Action/Collective Action Settlement Notice (the "Notice") because you are entitled to participate in a class action/collective action Settlement; you are what is referred to as a "Class Member." The purpose of this Notice is to provide a brief description of the claims alleged in the case, inform you about the proposed Settlement, and advise you of your rights and options with respect to the Settlement.

If you take no action and the Court approves the Settlement, you will automatically be mailed a settlement check (or series of checks) for your share of the Settlement. You will be bound by the Settlement unless you take action to exclude yourself in the manner described in this Notice.

WHY IT IS IMPORTANT TO READ THIS NOTICE:

The United States District Court for the Northern District of California has approved the sending of this Notice regarding the proposed Settlement of the class action/collective action known as Jane Roes 1-2 et al. v. SFBSC Management, LLC, et al. United States District Court for the Northern District of California Case No. 3:14-cv-03616-LB, and the related case of Jane Roe, et al. v. Deja Vu Services, et al., United States District Court for the Northern District of California Case No. 19-cv-03960-LB (collectively, the "Action").

Because your rights may be affected by this Settlement, it is extremely important that you read this Notice carefully. You are a "Class Member" in this Action.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT (SEE PAGE 6 FOR MORE DETAILS)	
DO NOTHING	If you do nothing, you will automatically be issued a Cash Payment in the form of a mailed check, or a series of checks over time, for your share of the Settlement funds, which will release all of your claims under California state law and under the Fair Labor Standards Act ("FLSA").
SUBMIT A DANCE FEE PAYMENT ELECTION FORM	You may choose to receive Dance Fee Payments in lieu of a Cash Payment by performing at one of the Clubs subject to this Settlement. To do so, you must complete, sign, and date the Dance Fee Payment Election Form that is enclosed, as described below. If you select to receive Dance Fee Payments you will release all claims brought in this Action, or that could have been pleaded based upon the factual allegations set forth in this Action, including claims under the FLSA. The amount of compensation that you will receive as part of the Settlement WILL BE THE SAME regardless of whether you do nothing and are then issued a check (or a series of checks) for a Cash Payment, or whether you select to obtain Dance Fee Payments.
EXCLUDE YOURSELF ("OPT OUT")	You may exclude yourself from the Settlement by submitting a letter as described below. If you request to be excluded, you will not be releasing any claims, except that claims for penalties authorized under the California Private Attorney's General Act ("PAGA") will be released regardless of whether you exclude yourself or not. If you exclude yourself, you may not object to the Settlement.
OBJECT	You can object to the Settlement as described below and ask the Court to reject the Settlement. You may also appear at the Final Approval Hearing, either in person or through your own attorney. If you submit an objection, you do not need to come to Court to discuss it. So long as it is a timely and valid objection, the Court will consider it. You cannot object to the Settlement if you have excluded yourself from the Settlement.

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WHAT THE CASE IS ABOUT:

The United States District Court for the Northern District of California is presiding over the Action. The Plaintiffs are individuals who have worked, pursuant to a dancer contract, at one or more of the nightclubs listed on Exhibit A to this Notice (referred to in this Notice as the "Clubs") during the time period from August 8, 2010 to November 16, 2018 for entertainers who performed at one or more of the "San Francisco Clubs" and the time period from February 8, 2017 to November 16, 2018 for entertainers who performed at one or more of the "Greater California Clubs" (collectively, the periods of time referred to as the "Class Periods").

Through the Action, Plaintiffs have alleged claims against Defendants for: (1) failure to pay minimum wages and overtime wages in violation of the FLSA; (2) failure to pay straight time for hours worked in violation of California Labor Code §§ 1194, 1194.2, 1197, 1197.1, 1198 and IWC Wage Order Nos. 4, 5, and/or 10; (3) failure to pay minimum wage for all hours worked in violation of the San Francisco Minimum Wage Ordinance; (4) failure to pay overtime as required by California state law in violation of California Labor Code §§ 510, 558, 1194, and 1198 and Wage Order Nos. 4, 5 and/or 10; (5) failure to provide itemized wage statements in violation of California Labor Code § 226 and IWC Wage Orders; (6) waiting time penalties under California Labor Code §§ 201, 202, and 203, and seeking remedies pursuant to Labor Code §§ 203, 218, 218.5, and 218.6; (7) failure to pay all wages owed every pay period under California Labor Code § 204, and seeking remedies pursuant to Labor Code §§ 218, 218.5 and 218.6; (8) common law conversion; (9) failure to reimburse for expenses in violation of Cal. Labor Code §§ 450, 2802; (10) violation of California's Unfair Competition Law, Bus. & Prof. Code §§ 17200 et seq.; (11) for violation of several provisions of the California Labor Code for which Plaintiffs are seeking recovery of civil penalties under the Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698 et seq. ("PAGA"), including but not limited to Labor Code §§ 201, 202, 204, 210, 223, 226, 226.3, 226.8, 245-249, 351, 353, 432.5, 450, 510, 558, 1174, 1194, 1194.2, 1194.5, 1197, 1197.1, 1198, 1199, 2753, 2802, 3700, 3700.5, 3712, 3715, and Wage Order Nos. 4, 5, and/or 10.

If you wish to learn more details regarding the claims at stake in the Action, please review the complaints for the Action, which are available at www.SFBSCSettlement.com. In addition, certain capitalized words and phrases in this Notice, which are not defined in this document, are defined in the Settlement Agreement, which can also be found on that website.

Plaintiffs have contended that this Action is suitable for class treatment. Defendants have vigorously denied that they violated any laws and have denied that they engaged in any wrongdoing. Defendants contend that they have complied with all applicable laws at all

times and also dispute Plaintiffs' ability to maintain the case as a class or collective action, arguing that, among other things, each of Plaintiffs' claims arise from very individualized and unique circumstances which would require numerous individualized inquiries.

In an effort to resolve their disputes, the parties mediated this case with the assistance of an impartial mediator. The mediation resulted in this Settlement. The Court has not ruled on the merits of Plaintiffs' claims or Defendants' defenses. Although Defendants deny all of the Plaintiffs' allegations, deny that they violated the law, and deny that the Action should be maintained as a class action, they have chosen to resolve this matter based upon the terms and conditions set forth in the Settlement Agreement now before the Court for approval in order to avoid further expenditures of time and money litigating these matters. By entering into this Settlement, Defendants do not admit any liability or wrongdoing of any kind.

THE PARTIES AND THE ATTORNEYS IN THIS CASE:

The "Class" for the Settlement is defined as all persons who, during the Class Periods, have performed as exotic dancers at one or more of the Clubs pursuant to a Dancer Contract, but does not include those who provided services as "headliner" or "feature" performers unless such individual was otherwise a party to a Dancer Contract with a Club. "Dancer Contract" means a contract entered into between a Class Member and a Club, which permitted the Class Member to engage in personal dance sales for remuneration at the Club's premises. The Class is comprised of approximately 8,408 people.

The lead attorneys for the Settlement Class (the group of Class Members who do not exclude themselves from the Settlement) are:

Sommers Schwartz, P.C.
Jason Thompson
One Towne Square, 17th Floor
Southfield, MI 48076
Telephone: (248) 415-3176

Pitt, McGehee, Palmer, Bonanni & Rivers, P.C
Megan Bonanni
117 West 4th Street, Suite 200
Royal Oak, MI 48067
Telephone: (248) 939-5081

The Tidrick Law Firm LLP
Steven G. Tidrick, Esq.
Joel B. Young, Esq.
1300 Clay Street, Suite 600
Oakland, CA 94612
Telephone: 510-788-5100

If you do not request exclusion (as explained later in this Notice), the lawyers above will represent you automatically. The Court has decided that the lawyers listed above, also known as "Class Counsel," are qualified to represent you and all Class Members. However, nothing prohibits you from consulting with or retaining your own attorney at your own personal expense.

THE SETTLEMENT:

The following is a summary of monetary terms of the proposed Settlement:

1. Gross Amount of the Settlement

Defendant has agreed to provide six million five hundred thousand dollars (\$6,500,000), consisting of Cash Payments, Dance Fee Payments, Enhancement Payments, PAGA Payments, Administrative Costs, Attorneys' Fees and Expenses, and changes to the Defendants' business practices.

2. Distribution of the Settlement Funds

The following is a summary of how settlement funds will be distributed, if approved by the Court:

- a. Cash Pool: The sum of \$4,000,000 to be paid by Defendants will provide cash compensation to Class Members who neither exclude themselves from the Settlement nor select to receive Dance Fee Payments, and to pay the Attorneys' Fees and Expenses, the Enhancement Awards, the PAGA Payment, and the Administrative Costs of the Settlement. Because of the impact of the global pandemic upon the operation of the Clubs, the Settlement Agreement provides for the Cash Pool to be funded over a period of two years. The earliest that a portion of your Cash Payment could be sent to you, if you do not decide

to obtain your Settlement Payment in the form of Dance Fee Payments, would be December 1, 2022. If you want to understand the Cash Pool funding obligations, the conditions that apply to those funding obligations, and provisions for distributions from the Cash Pool, review Sections 5.3 - 5.5 of the Settlement Agreement, which can be found at: www.SFBSCSettlement.com.

- b. **Dance Fee Pool:** Defendants shall make five hundred thousand dollars (\$500,000) available for use as Dance Fee Payments. They are to be made available immediately upon the Settlement becoming Final.
- c. **Enhancement Payment:** Class Counsel will ask the court to award various Class Members a service award of up to \$35,000 for their service and assistance to the Class in procuring this Settlement.
- d. **The PAGA Payment:** Defendants shall pay, as consideration for settlement of alleged civil penalties due pursuant to PAGA, the sum of one hundred twenty-five thousand dollars (\$125,000), which shall resolve all PAGA Claims. Seventy-five percent (75%) of this, or ninety-three thousand seven hundred fifty dollars (\$93,750), shall be paid out of the Cash Pool to the California Labor & Workforce Development Agency (the "LWDA"). The remaining twenty-five percent (25%), or thirty-one thousand two hundred fifty dollars (\$31,250), shall be distributed out of the Cash Pool.
- e. **Administrative Costs:** Funds estimated at no more than \$150,000 shall be paid to the Settlement Administrator for the administrative costs of settlement, including but not limited to the preparation and copying of this Notice, mailing of this Notice, and other administrative tasks.
- f. **Attorneys' Fees and Expenses:** Class Counsel will apply to the Court for an award of: (1) attorneys' fees in an amount that does not exceed thirty-five percent (35%) of the settlement consideration; and (2) up to eighty thousand dollars (\$80,000) in litigation expenses.
- g. **Changes to Defendants' Business Practices:** As a result of the Settlement, the Nightclubs agreed to treat all entertainers who would be performing in their facilities in the future as employees in accordance with applicable law and subject to various "Enhanced Terms of Employment" (such as certain Dance Fee commissions) through at least the one-year anniversary after the Final Approval Date of the Settlement. Such changes to Defendants' business practices are being valued at a minimum of \$2,000,000.
- h. All payments set forth herein, except for the payment to the LWDA in satisfaction of Plaintiffs' PAGA claim and the Dance Fee Payments, are payments for which the Settlement Administrator shall issue IRS Form 1099-MISC statements to you, the IRS, and to the state taxing authorities (as well as to Class Counsel and Defense Counsel). Nothing in the Settlement or this Notice shall be construed as Class Counsel, Defense Counsel, Defendants, or the Released Parties of the Settlement, providing any advice to you regarding your payment of taxes for, or the tax consequences of, participating in this Settlement; simply put, nothing in this Notice or the Settlement is intended to be tax advice of any kind. You should consult your tax advisor for any tax issues pertaining to this Settlement. In addition, notwithstanding any payment that you may receive as part of this Settlement, in the event that you perform at any of the Clubs in the future as an employee under the terms of this Settlement, you are obligated to report to the applicable Club all of the tip income that you earn in accordance with applicable law, as well as to the IRS and state taxing authorities.

The Settlement Administrator shall determine your Settlement Payment and PAGA Payment as follows:

- a. The amount of your Settlement Payment shall be determined on a pro rata basis by first dividing your Form 1099 Payments earned during the Class Periods into the amount of Form 1099 Payments earned by all Settlement Class Members during the Class Periods, and then multiplying that number by the combined sum of the Net Cash Fund and the Dance Fee Pool. That amount shall then constitute the Settlement Payment that you are entitled to receive irrespective of whether you obtain a Cash Payment or decide to receive Dance Fee Payments.
- b. The amount of your PAGA Payment shall be determined on a pro rata basis by first dividing your Form 1099 Payments earned during the Class Periods into the amount of Form 1099 Payments earned by all Settlement Class Members during the Class Periods, and then multiplying that number by the Settlement Class Members' PAGA Payment.
- c. Based on the information provided to the Settlement Administrator, it has determined that your total Form 1099 Payments earned during the Class Periods is: \$«MERGED_1099MISC_payments».

The description above is a summary. If you wish to review the specific terms of Settlement in detail, please review the entirety of the Settlement Agreement which, again, is available at: www.SFBSCSettlement.com.

RELEASES OF CLAIMS:

Because this Action is a class action under Rule 23 of the Federal Rule of Civil Procedure and a collective action under the FLSA, there are two sets of releases, which are summarized below.

- (1) Even if you do not sign, deposit, and/or cash any of your Settlement Checks, or if you elect to receive Dance Fee Payments, you will still be a part of the Settlement Class. You will be bound by the Settlement as summarized below in the section entitled “Settlement Class Members’ Released Claims,” unless you have timely excluded yourself in the manner described in this Notice.
- (2) If you are issued a check for a Cash Payment, and/or elect to receive Dance Fee Payments, you will become a party plaintiff pursuant to Section 216(b) of the FLSA and will be subject to the release summarized below in the section entitled “Participating Class Members’ Released Claims.”

1. Settlement Class Members’ Released Claims

Even if you do not sign, deposit, and/or cash your settlement check, or if you elect to receive Dance Fee Payments, and if you do not exclude yourself in the manner described below, you will release the following claims: Any and all Claims that are based on or reasonably related to the Claims asserted in the Action, including as are set forth in the Amended Complaints for Settlement, which are available at www.SFBSCSettlement.com, **with the exception of claims under the FLSA**. As detailed in the Settlement Agreement, this release includes all Claims based on or reasonably related to the Claims asserted in the Action, including without limitation Claims under state law for unpaid minimum wage, unpaid overtime, unpaid final wages, unpaid meal and rest period premium pay, and reimbursement of expenses; to recover unpaid tips; for penalties under PAGA; as well as all Claims for interest, penalties, liquidated damages, or attorneys’ fees and costs.

2. Participating Class Members’ Released Claims

If you are issued a check for a Cash Payment and/or elect to receive Dance Fee Payments, you will release all of the Claims described in the above section entitled “Settlement Class Members’ Released Claims,” and all Claims that have been or could have been brought in this Action under the FLSA.

This is a summary of the releases. If you wish to review the releases in detail, please review the Settlement Agreement, which is available at: www.SFBSCSettlement.com.

WHAT TO DO IN RESPONSE TO THIS NOTICE:

You have the options described below. Each option has its own consequences, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, follow.

1. **Do Nothing.** If you do nothing and the Court approves the Settlement, you will automatically be mailed a check (or series of checks) for a Cash Payment and for your PAGA Payment. You will remain a part of the case and you will release claims that were or could have been brought in the Action, as set forth more fully in the section of this Notice above entitled “Settlement Class Members’ Released Claims” and “Participating Class Members’ Released Claims.”
2. **Submit a Dance Fee Payment Election Form.** You may complete, sign, and date the Dance Fee Payment Election Form that is enclosed with this Notice and submit it to the Settlement Administrator postmarked by **OCTOBER 17, 2022**. By doing this, you will waive your right for to obtain a Cash Payment and you will, instead, be entitled to receive Dance Fee Payments from one of the Clubs (in addition to your PAGA Payment). The Dance Fee Payment Election Form describes both of these options in more detail. You will release all Claims brought in the Action or that could have been pleaded based upon the factual allegations set forth in the Action, as is discussed more fully in the section of this Notice entitled “Participating Class Members’ Released Claims.”
3. **Exclude Yourself.** You may exclude yourself from the Settlement by submitting a letter in accordance with the directions in this paragraph. This is the only option that could allow you to bring your own lawsuit or claim under California state law, or to be a part of another lawsuit against the Defendants making such Claims; however, even if you exclude yourself from the Settlement, you and all other Class Members will still be bound by a release of Claims under PAGA. To exclude yourself from the Settlement, you must send your request to be excluded by mail, email, or submission via the Settlement Website, which includes the words “I request to be excluded from the Settlement,” to the Settlement Administrator’s mailing address or email address, or to the Settlement Website, listed at the end of this Notice. You must sign the letter and include your full name, address, and telephone number on any submission. If you make this request by mailed letter, it must be **postmarked no later than OCTOBER 17, 2022**. Similarly, a request for exclusion submitted by email or via the Settlement Website must be received **no later than OCTOBER 17, 2022**. Excluding yourself is telling the Court that you don’t want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Action no longer affects you.

4. **Object.** You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the Settlement. If the Court denies approval, no Settlement Payments will be sent out, no settlement benefits will be provided by the Defendants, and the Action will continue. If that is what you want to happen, you must object. If you are going to object to the Settlement, you must do so in writing. You may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney. All written objections and supporting papers must contain at least the following: (i) your full name, or, if you wish to preserve your right to privacy, the name or names under which you performed at a Club or Clubs, and the location (city) of such Club(s), (ii) you or your legally authorized representative's signature, (iii) the address and telephone number at which you or your legally authorized representative can be contacted; (iv) a clear reference to the Action; (v) the nature of the objection; and (vi) a statement whether you intend to appear at the hearing on Plaintiffs' motion for Final Approval, either in person or through counsel and, if through counsel, a statement identifying that counsel by name, bar number, address, and telephone number. Objections must be mailed to the Settlement Administrator postmarked on or before **OCTOBER 17, 2022**. If you submit an objection, you do not have to come to Court to talk about it. As long as you submit a timely, valid written objection, the Court will consider it. If you exclude yourself from the Settlement, you may not object.

FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT:

The Final Approval Hearing on the fairness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, and the request for Enhancement Payments, will be held on November 17, 2022, at 9:30 a.m., at the United States District Court for the Northern District of California, San Francisco Courthouse, 450 Golden Gate Avenue, San Francisco, California, 15th Floor, in Courtroom C. The Final Approval Hearing may be rescheduled to a different date, time, or location without further notice. It is not necessary for you to appear at this hearing unless you have timely filed an objection to the Settlement and wish to be heard. The Court will not hear any objections at such hearing unless such objections have been timely submitted in writing as detailed in this Notice.

CLASS COUNSEL RECOMMEND THE SETTLEMENT:

The Settlement was reached with the assistance of an impartial mediator. Class Counsel (the attorneys who were appointed by the Court to represent the Settlement Class) strongly recommend that you accept the Settlement. The Defendants dispute all of the Claims and have raised numerous defenses (including that all Claims must be brought by each Entertainer in an individual arbitration proceeding) and have the ability to raise numerous other defenses if the Settlement is not approved. In light of the substantial risk that you might receive less, or nothing at all, if the case proceeds to trial (either in court or in an arbitration proceeding), Class Counsel believe that the Settlement is in your best interests and is a reasonable compromise of disputed claims.

HOW TO OBTAIN ADDITIONAL INFORMATION:

This Notice only summarizes the class action lawsuits that comprise the Action, the Settlement, and related matters. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at www.SFBSCSettlement.com, by accessing the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov> (which may require payment of a nominal fee), or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, 16th Floor, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. The motion for attorneys' fees, costs, and Enhancement Payments, will also be available on the websites specified above.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT, PROCEDURES TO EXCLUDE YOURSELF FROM THE SETTLEMENT OR TO OBJECT TO IT, OR THE CLAIMS PROCESS.

IF YOU HAVE QUESTIONS ABOUT THIS NOTICE OR THE SETTLEMENT, PLEASE CALL THE SETTLEMENT ADMINISTRATOR AT:

SFBSC/Deja Vu Services Settlement
P.O. Box 26170
Santa Ana, CA 92799
Telephone: (866) 603-6949
Email: SFBSCSettlement@Simpluris.com
Website: www.SFBSCSettlement.com

You may also call Class Counsel:

Sommers Schwartz, P.C.
Jason Thompson
One Towne Square, 17th Floor
Southfield, MI 48076
Telephone: (248) 415-3176

Pitt, McGehee, Palmer, Bonanni & Rivers, P.C
Megan Bonanni
117 West 4th Street, Suite 200
Royal Oak, MI 48067
Telephone: (248) 939-5081

The Tidrick Law Firm LLP
Steven G. Tidrick, Esq.
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1300 Clay Street, Suite 600
Oakland, CA 94612
Telephone: 510-788-5100

DATED: August 19, 2022