

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

JOY EBERLINE, CINDY
ZIMMERMANN, and TRACY
POXSON, individually and on behalf
of all others similarly situated,

Plaintiffs,

Case No. 5:14-cv-10887

Hon. Judith E. Levy

Magistrate Kimberly G. Altman

v

DOUGLAS J. HOLDINGS, INC.,
DOUGLAS J. AIC, INC.,
DOUGLAS J. INSTITUTE, INC.
and SCOTT A. WEAVER,

Defendants.

AMENDED SETTLEMENT AND RELEASE AGREEMENT

Plaintiffs, Joy Eberline, Cindy Zimmermann, and Tracy Poxson, on behalf of themselves and the Class Members defined below, on the one hand, and Defendants, Douglas J. Holdings, Inc., Douglas J. AIC, Inc., Douglas J. Institute, Inc., and Scott Weaver, on the other hand, (Plaintiffs and Defendants together are referred to as the “Parties,” and each individually as a “Party”) agree to a settlement, subject to Court approval as discussed below, through this Amended Settlement and Release Agreement (the “Agreement”):

1. Recitals and Background

A. On February 26, 2014, Plaintiffs filed a hybrid class and collective action complaint against Defendants on behalf of themselves and other similarly situated students who attended cosmetology schools run by Defendant Douglas J. Institute, Inc., which is now pending in the United States District Court for the Eastern District of Michigan before the Honorable Judith E. Levy, Case No. 5:14-cv-10887 (the “Litigation”). In the Litigation, Plaintiffs alleged, among other claims, that they and other similarly situated students were employees for purposes of the Fair Labor Standards Act (“FLSA”) and state wage-and-hour laws when they were performing specific cleaning, laundry, restocking, and/or sales tasks during their time enrolled as students in Douglas J. Institute, Inc.’s student clinic, and thus claimed should be paid wages for the time spent performing these tasks.

B. Defendants have denied any wrongdoing or liability, have defended against Plaintiffs' claims in the Litigation, and intended to continue to vigorously defend the Litigation on several bases, including that Plaintiffs were not "employees" under the governing statutes and thus not entitled to any wages, and that Plaintiffs did not actually spend the time claimed to have been spent completing the tasks at issue. Defendants, without admitting any wrongdoing or liability, nevertheless have agreed to enter into this Agreement to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation, and to be completely free of any further controversy with respect to the claims that are asserted and could have been asserted in, or relate in any way whatsoever to, the Litigation.

C. Following cross motions for summary judgment, the Court granted summary judgment in Defendants' favor on certain claims, granted partial summary judgment in Plaintiffs' favor on certain issues, and denied summary judgment on certain issues, leaving them for determination by a jury. In all, the Parties have litigated the matter vigorously for the better part of a decade and have determined that settlement is in the best interest of all Parties.

D. Class Counsel (as defined below) has analyzed and evaluated the merits of the claims made against Defendants and the impact of this Agreement on the Plaintiffs and the Class (as defined below). Class Counsel and Plaintiffs are

satisfied that the terms and conditions of this Agreement are fair, reasonable, and adequate, and that this Agreement represents a reasonable compromise of disputed claims in the Litigation, which is in the best interest of Plaintiffs and the Class.

E. Based upon their analysis and evaluation of relevant factors, the Parties recognize the substantial risks of continued litigation, including the possibility that the Litigation, if not settled now, might not result in any recovery whatsoever, or might result in a larger or smaller recovery.

F. The Parties participated in private mediation on December 16, 2022, with an independent third-party mediator, where they ultimately reached a preliminary agreement to resolve the Litigation. The Parties, subject to the Court's approval, have elected to settle the Litigation pursuant to the terms set forth in this Agreement, which shall be submitted to the Court for approval as set forth below.

G. At a June 15, 2023 hearing on Plaintiffs' motion for preliminary approval, the Court raised various questions and sought various modifications to this Agreement and the related notice and forms.

H. The Parties agree that if this Agreement is terminated as set forth below, the Agreement shall be void and have no force and effect, shall be inadmissible in any further proceeding in the Litigation, the Litigation will proceed as if this Agreement had not been executed, without prejudice to any Party's

arguments, claims, or defenses, including Defendants' opposition to certification of any class.

2. Definitions

A. Claim Forms means the form attached to this Agreement as Exhibit B. The Claim Forms shall require each Class Member to identify whether he or she was eligible to work in the United States during all relevant periods.

B. Claims Period means 90 days from the date on which sending the Notice of Settlement commences under Paragraph 3(E).

C. Class means any student who attended Defendant Douglas J. Institute, Inc.'s cosmetology programs in Michigan and participated in the Alpha, Beta, Gamma, and/or Salon Life courses in 2012 through 2022. Individual members of the Class are referred to as Class Members.

D. Class Counsel means John Philo (jphilo@sugarlaw.org), Sugar Law Center for Economic & Social Justice, 4605 Cass Avenue, 2nd Floor, Detroit, Michigan 48201 and Kathryn Bruner James (kjames@goodmanhurwitz.com), Goodman Hurwitz & James PC, 1394 E. Jefferson Avenue, Detroit, Michigan 48207.

E. Class Data means, to the extent available to Defendants, each Class Member's full name, last known address, social security number, last known email address, total hours completed towards the state-required 1,500 minimum

hours to sit for the cosmetology examination at Douglas J Institute's Michigan programs, and Qualifying Enrollment.

F. Defendants mean the Defendants remaining in the Litigation as of the date this Agreement is executed: Douglas J. Holdings, Inc., Douglas J. AIC, Inc., Douglas J. Institute, Inc., and Scott Weaver.

G. Defendants' Counsel means Matthew Nelson (mnelson@wnj.com) and Amanda Fielder (afielder@wnj.com) of Warner Norcross + Judd LLP, 150 Ottawa Avenue NW, Suite 1500, Grand Rapids, Michigan 49503, and Michael Brady (mbrady@wnj.com) of Warner Norcross + Judd LLP, 2715 Woodward Avenue, Suite 300, Detroit, Michigan 48201.

H. Douglas J means Douglas J. Holdings, Inc. and Douglas J. Institute, Inc.

I. Effective Date means the date of entry of a stipulated order of dismissal after the Final Approval Order if no objection to the Settlement is filed in accordance with the procedures of this Agreement. Otherwise, the "Effective Date" of this Agreement shall be the later of: (a) the date on which the time for all appeals relating to objections and the Final Approval Order has expired; and (b) if an appeal, review or writ is sought, the date on which the highest reviewing court renders its decision denying any such appeal, review, writ and/or petition and the time for any motion for reconsideration or rehearing of that decision has expired or the motion

for reconsideration or rehearing in such highest court is denied.

J. Email Notice means the text attached to this Agreement as Exhibit F.

K. Employer Taxes means all taxes an employer is required to pay arising out of or based upon the payment of wages.

L. Escrow Account means a federally insured bank account to be established by the Settlement Administrator into which all payments from Settling Defendants related to this Settlement will be deposited and from which all payments will be made.

M. Final Approval Order means the Order Granting Final Approval of Class Action Settlement entered by the Court as described in Paragraph 6(B) below.

N. Final Fairness and Approval Hearing means the hearing on Plaintiff's Motion for Final Approval of Class Action Settlement described in Paragraph 6(A) below.

O. Hourly Rate means, as to each Class Member, two times the minimum wage in effect in Michigan on the last date on which the Class Member was enrolled at Douglas J Institute in in the Alpha, Beta, Gamma, and/or Salon Life courses. The Michigan minimum wage rates by year are set forth below:

2022:	\$9.87	2016:	\$8.50
2021:	\$9.65	2015:	\$8.15
2020:	\$9.65	2014:	\$8.15
2019:	\$9.45	2013:	\$7.40
2018:	\$9.25	2012:	\$7.40
2017:	\$8.90		

P. Interest Rate means, as to each Class Member, the rate identified below applicable to the last year in which the Class Member was enrolled at Douglas J Institute in the Alpha, Beta, Gamma, and/or Salon Life courses.

2022:	1%	2016:	7%
2021:	2%	2015:	8%
2020:	3%	2014:	9%
2019:	4%	2013:	10%
2018:	5%	2012:	10%
2017:	6%		

Q. Non-Settling Defendant means Defendant Douglas J. AIC, Inc.

R. Notice of Settlement means the “Notice of Proposed Class Action Settlement and Final Approval Hearing,” the form of which is attached hereto as Exhibit A.

S. Opt Out Form means the form attached to this Agreement as

Exhibit C.

T. Participating Class Members means all Class Members who properly and timely execute and return a Claim Form and, if applicable¹, fully executed W4 and W9 forms, in accordance with Paragraph 3(J) below.

U. Parties means Plaintiffs and Defendants together. Party means Plaintiffs or Defendants individually.

V. Plaintiffs means the named Plaintiffs in this Litigation: Joy Eberline, Tracy Poxson, and Cindy Zimmermann.

W. Postcard Notice means the form attached to this Agreement as Exhibit E.

X. Preliminary Approval Date means the date the Court enters an order granting preliminary approval of this Agreement, as described in Paragraph 3(A) below.

Y. Qualifying Activities means general cleaning, laundry, and/or product sales tasks completed by Class Members while enrolled and participating in the Alpha, Beta, Gamma, and/or Salon Life courses of Douglas J. Institute, Inc.'s cosmetology program. Qualifying Activities *do not* include routine cleaning and sanitizing workstations following the provision of guest services.

¹ See Paragraph 5(N)(ii) for tax withholding provision for Participating Class Members who are not eligible to work or who lack a valid social security number.

Z. Qualifying Enrollment means the number of the available 1,200 hours that a Class Member earned towards the state mandated hours to sit for the cosmetology exam from the Alpha, Beta, Gamma, and/or Salon Life courses in Douglas J. Institute, Inc.'s cosmetology programs in Michigan. Hours earned in the Introduction class at Douglas J Institute or earned at other institutions are not included in Qualifying Enrollment.

For Class Members as to whom the Class Data does not contain the total number of hours completed toward the 1,500-hour requirement, Qualifying Enrollment will be determined by multiplying the total hours required to complete the Alpha, Beta, Gamma, and Salon Life courses by the percentage of the total weeks required to complete the program that the Class member completed. Specifically, Qualifying Enrollment will be the product of 1,200 hours multiplied by the percentage of the total number of weeks a Class Member was enrolled in Douglas J Institute's Alpha, Beta, Gamma, and/or Salon Life courses up to 32 out of 33 weeks (approx. 97%) for day students and 44 out of 45 weeks (approx. 98%) for night students.

AA. Qualifying Hours means the percentage of each Class Member's Qualifying Enrollment that each Class Member spent on Qualifying Activities up to a maximum of 10% of the student's Qualifying Enrollment. The Claims Form asks each Class Member to estimate the average time the Class

Member spent doing Qualifying Activities with the following options:

For full-time students:

Laundry and related activities:

- Less than 1 hour [0.5 hours, 1.44%]
- 1-2 hours [1 hour, 2.87%]
- More than 2 hours [2 hours, 5.75%]

General cleaning activities:

- Less than 1 hour [0.5 hours, 1.44%]
- 1-2 hours [1 hour, 2.87%]
- 2-3 hours [2 hours, 5.75%]
- 3-4 hours [3 hours, 8.61%]
- More than 4 hours [3.5 hours, 10%]

Product restocking or sales:

- Less than 1 hour [0.5 hours, 1.44%]
- 1-2 hours [1 hour, 2.87%]
- More than 2 hours [2 hours, 5.75%]

For part-time students:

Laundry and related activities:

- Less than 45 minutes [0.37 hours, 1.44%]
- 45 minutes to 1.5 hours [0.74 hours, 2.87%]
- More than 1.5 hours [1.47 hours, 5.75%]

General cleaning activities:

- Less than 45 minutes [0.37 hours, 1.44%]
- 45 minutes to 1.5 hours [0.74 hours, 2.87%]
- 1.5 hours-2 hours [1.47 hours, 5.75%]

- 2-3 hours [2.2 hours, 8.61%]
- More than 3 hours [2.56 hours, 10%]

Product restocking or sales:

- Less than 45 minutes [0.37 hours, 1.44%]
- 45 minutes to 1.5 hours [0.74 hours, 2.87%]
- More than 1.5 hours [1.47 hours, 5.75%]

The difference in the ranges of hours for full-time and part-time students accounts for the differences in the total hours that a Class Member spent at school each week—35 hours as a full-time student, 25 hours as a part-time student.

Each Class Member’s response is treated as the number of hours shown in brackets above, the “Scored Hours.” The percentage shown in the brackets reflects the percentage of a full-time or part-time student’s weekly time at school that a full-time or part-time student Class Member would have spent engaged in each Qualifying Activity based on the Scored Hours. Qualifying Hours are determined by summing the bracketed percentages based on each Class Member’s responses, up to a maximum of 10% of Qualifying Enrollment.

BB. Qualifying Time means, as to each Class Member, the product of the Class Member’s Qualifying Enrollment multiplied by the Class Member’s Qualifying Hours.

CC. Released Claims means any and all claims arising out of or relating to, in any way, a Class Member’s alleged employment by Douglas J or Scott

Weaver while enrolled in Douglas J. Institute, Inc.'s cosmetology program, including any and all claims under any federal, state and/or local statute, law and/or ordinance, including, without limitation, claims under and/or based on the FLSA, the Michigan Workforce Opportunity Wage Act, the Michigan Minimum Wage Law, and the Michigan Wage and Fringe Benefits Act; any contract or quasi-contract theory; any constitution or regulation; any common law theory; and/or any other claims that were or could have been asserted in this action. The Released Claims include, but are not limited to, claims for unpaid wages, minimum wage, tips, service charges, overtime pay, misclassification, compensation, penalties, damages, liquidated damages, punitive damages, attorneys' fees, interest, expenses, disbursements, litigation costs and fees, restitution, equitable relief and/or any other relief. The Released Claims include those claims identified in Paragraph 8(R).

DD. Settlement means the disposition of the Litigation and all related claims effectuated by this Agreement.

EE. Settlement Class means all Class Members other than those who properly and timely execute and return an Opt Out Form in accordance with Paragraph 4(D) below. Individual members of the Settlement Class are referred to as Settlement Class Members.

FF. Settlement Administrator refers to Kroll Settlement Administration LLC.

GG. Settlement Administration Costs means the fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement. Settlement Administration Costs will be paid out of the Settlement Amount in accordance with Paragraph 5(E) below.

HH. Settlement Amount means the gross amount of \$2,800,000, inclusive of all payments set forth in this Agreement.

II. Settling Defendants means Defendants Douglas J. Holdings, Inc.; Douglas J. Institute, Inc.; and Scott Weaver.

3. Class Notice

A. Preliminary Approval: By July 14, 2023, Class Counsel shall file an amended motion for preliminary approval of the Settlement, applying to the Court for the entry of an Order that will be agreed upon by the Parties before submission and provide for the following:

i. Scheduling a fairness hearing on the question of whether the proposed Settlement should be approved as fair, reasonable, and adequate as to the Class Members;

ii. Conditionally certifying the Class according to the criteria identified in Fed. R. Civ. P. 23(e)(2) and a collective action pursuant to the FLSA;

iii. Approving as to form and content the proposed Notice of Settlement;

- iv. Approving as to form and content the proposed Claim Form;
- v. Approving the proposed method of opting out from the Settlement; and
- vi. Preliminarily approving the Settlement.

Defendants will not oppose the relief sought in Class Counsel's amended motion for preliminary approval of the Settlement to the extent it is consistent with the terms and conditions of this Agreement. Defendants may, however, provide a written response to the motion for preliminary approval, including any characterization of the law or facts contained therein.

B. Effect of Non-Approval: If the Court (a) enters an order expressly declining to enter the Preliminary Approval Order in any material respect; (b) refuses to approve this Settlement or any material part of it; (c) declines to enter a Judgment that conforms in all respects the material provisions of this Settlement; (d) proposes to enter a Preliminary Approval Order or Judgment that does not contain the material terms of this Settlement or (e) enters the Judgment, but after appellate review, the Judgment is vacated or modified or reversed in any material respect, and further appellate review has either been denied or the time for seeking further appeal has expired, then the Parties each shall have the right to terminate their participation in the Settlement within 30 days of the receipt of such ruling by

providing written notice to the other Parties of an election to terminate. Any judicial decision with respect to an application for attorneys' fees or the allocation of the Settlement Amount, including the amounts of any service award, shall not be considered material to the Settlement and shall not be grounds for termination.

C. Cooperation: The Parties agree to reasonably cooperate to accomplish the terms of this Agreement, including but not limited to, execution of such documents and to take such other reasonably necessary actions to implement the terms of this Agreement. If the Court does not approve the Settlement, the Parties agree to reasonably cooperate to modify the Agreement, to the extent acceptable to each Party, to conform with any changes requested by the Court and to resubmit the Agreement, as modified, to the Court for approval; provided that, if the Court does not approve the Settlement for a reason that any Party determines to be material, any Party may terminate the Settlement consistent with Paragraph 3(B) above. Likewise, if all Parties fail to agree upon an amendment that will obtain Court approval, the Settlement is terminated.

D. Provision of Class Data: Within 7 days after the Preliminary Approval Date, Defendants will provide the Settlement Administrator with the Class Data in an electronic format acceptable to the Settlement Administrator. Defendants will confirm to Class Counsel when the information has been provided to the Settlement Administrator. This information will remain confidential and will not be

disclosed to anyone, except as required to applicable taxing authorities, pursuant to Defendants' express written authorization, by order of the Court, to Class Counsel, or as otherwise provided for in this Agreement.

E. Notice of Settlement: Using the Class Data, the Settlement Administrator will create and maintain a website at which Class Members may review the Amended Motion for Preliminary Approval, this Agreement, and the Notice of Settlement; obtain and complete Claim Forms, a W4 tax form, and a W9 tax form; and from which Class Members may obtain and print an Opt Out Form. Within 7 business days of receiving the Class Data but no earlier than Monday, August 7, 2023, the Settlement Administrator will commence sending the Email Notice to the most recent known email address for each Class Member.

F. Bounced Back/Unread Notices: For any Class Member as to whom the Email Notice bounces back as undeliverable or which the Claims Administrator's email distribution system does not show as having been read within 7 days of being sent, the Settlement Administrator will do the following:

- i. Check the Class Member's last-known address against the National Change of Address database;
- ii. Use the information provided by the Defendants to perform a skip trace, i.e., search commercially available databases to seek to obtain updated mailing and possible email addresses; and

iii. Within 21 days, send a Postcard Notice to the best known address for the Class Member via First-Class United States mail.

It will be conclusively presumed that if a Postcard Notice so mailed has not been returned within 28 days of the mailing, the Class Member received the Notice of Settlement.

G. Undeliverable Postcard Notices: For any Class Member whose Postcard Notice is returned as undeliverable within the 28-day period described in Paragraph 3(G) above, the Settlement Administrator will send an additional Notice of Settlement to any additional email addresses identified during the skip trace identified in the preceding paragraph. To the fullest extent possible, such re-emailing will be completed within 60 days of the date that Notices of Settlement were originally emailed. If the email is returned as undeliverable, no further action is necessary.

H. Declaration of Compliance: As soon as practicable following completion of the procedures described in Paragraphs 3(E), 3(F), and 3(G) above, the Settlement Administrator shall provide Class Counsel and Defendants' Counsel with a declaration attesting to completion of those procedures, including the number of Notices of Settlement sent; the number of completed Claims Forms received; an explanation of efforts to resend undeliverable Notices of Settlement, if any; and copies of all properly completed and timely returned Opt Out Forms. The Settlement

Administrator's declaration shall be filed with the Court by Class Counsel along with their papers requesting final approval of the Settlement as described in Paragraph 6(A) below.

I. Effect of Compliance: Compliance with the procedures described in this Paragraph 3 shall constitute due and sufficient notice to Class Members of this Settlement and of the Final Fairness and Approval Hearing, shall satisfy the requirements of due process, and nothing else shall be required of the Plaintiffs, Class Counsel, Defendants, Defendants' Counsel, or the Settlement Administrator to provide notice of the Settlement and the Final Fairness and Approval Hearing.

J. Class Member Election: Only Class Members who properly complete and submit the Claim Form along with a fully completed W4 form and W9 form (when applicable), to the Settlement Administrator within the Claims Period will become Participating Class Members. Claim Forms submitted electronically or postmarked before the Claims Period expires will be timely.

K. Claims Reporting: Within 28 days after the Claims Period ends, the Settlement Administrator shall furnish to Class Counsel and Defendants' Counsel a list of all Participating Class Members and the Qualifying Hours, Qualifying Time, and projected payment to each.

L. CAFA Notices: The Settlement Administrator shall send notice

to the appropriate federal and state officials in accordance with the Class Action Fairness Act, 28 U.S.C. § 1715(b) (“CAFA”) within 10 days after Class Counsel files the motion for preliminary approval of the Settlement as described above. The Settlement Administrator shall be responsible for all other CAFA notices or obligations required by law with respect to this Agreement.

M. Verification of Eligibility to Work: The Settlement Administrator shall verify the social-security numbers of each Participating Class Member to determine whether the social-security number is valid and to determine whether each Participating Class Member is eligible to work in the United States. The Settlement Administrator shall provide a report to Class Counsel and Defendants’ Counsel at least 90 days before the date the Second Installment Payment is due.

N. Appropriateness of Claims-Made Approach: The Parties agree that, given the likely variance in claims amounts and the probability that students attending different Douglas J. Institute, Inc. locations at different times had different experiences such that some Class Members may not have any Qualifying Time, a claims-made approach is appropriate in this case.

4. Objections and Opt-Outs

A. Objections to Settlement: Any Class Member wishing to object to the approval of this Settlement shall inform the Settlement Administrator in

writing of his or her intent to object by following the procedure set forth in the Notice of Settlement within 75 days of the Preliminary Approval Date. Objections are timely if postmarked by the deadline. Failure to comply with this deadline will forever bar a Class Member from objecting to the Settlement. Within 14 days of the deadline to submit an objection under this Paragraph, the Settlement Administrator shall provide all such objections to Class Counsel and Defendants' Counsel.

B. Responses to Objections: Class Counsel and Defendants' shall file any written objections from Class Members submitted to the Settlement Administrator in accordance with this Agreement, and Class Counsel's and Defendants' responses to such objections, at least 7 days before the Final Fairness and Approval Hearing.

C. Waiver of Appeal: Any Class Member who does not timely submit an objection to the Settlement and/or does not comply with any other substantive or procedural obligations imposed by law or under this Agreement, waives any and all rights to appeal the Final Approval Order, including all rights to any post-judgment proceeding and appellate proceeding, including, without limitation, a motion to vacate the judgment, a motion for new trial, appeal, and any extraordinary writs.

D. Opting Out of the Settlement: Any Class Member who wishes to be excluded from the Settlement must submit to the Settlement Administrator, as

indicated in the Notice of Settlement, an Opt Out Form no later than 75 days after the Preliminary Approval Date. Completed Opt Out Forms may be submitted online or may be downloaded from the Settlement website and then mailed to the Settlement Administrator. Opt Out Forms are timely if submitted online by the deadline. If mailed to Settlement Administrator, Opt Out Forms are timely if postmarked by the deadline. The Settlement Administrator shall date stamp the original of any Opt Out Form and serve copies on both Class Counsel and Defendants' Counsel via electronic mail within 7 days of receipt of any such Opt Out Form. Class Counsel shall file copies of all timely requests for exclusion, not timely rescinded, with the Court before the Final Fairness and Approval Hearing described in Paragraph 6(A) below.

E. Failure to Properly Opt Out and Opt Out Limitations: Any Class Member who does not fully complete, sign, and timely submit his or her Opt Out Form will be deemed included as a member of the Settlement Class in accordance with this Settlement. Plaintiffs waive any right to opt out of the Settlement.

F. Conflicting Responses: If a Class Member submits both a Claim Form and an Opt Out Form, the Settlement Administrator shall contact the Class Member via phone or email message within three business days of the deadline identified in Paragraph 4(D) above to determine whether the Class Member intends

to be excluded from the Settlement. If no response to the Settlement Administrator's inquiry is received before the expiration of the Claims Period, the Opt Out Form will be invalid, and the Class Member will be deemed to be a Participating Class Member and be bound by the terms of this Agreement.

G. Notification to Counsel of Opt-Outs: Within 7 days after the Claims Period ends, the Settlement Administrator shall provide Class Counsel and Defendants' Counsel with information setting forth the total number of opt outs and the identities (which shall include all Class Data for those Class Members) of the Class Members who have decided to opt out.

H. Termination for Lack of Sufficient Participation: If 12% or more of the Class Members, in the aggregate, make a valid request to be excluded from the Settlement pursuant to Paragraph 4(D) above, Defendants will have the right, but not the obligation, to terminate this Agreement.

5. Settlement Terms and Administration

A. Allocation of Liability: Douglas J shall be liable for no more than \$1.0 million of the Settlement Amount, with Scott Weaver being liable for the remainder. All wages paid as part of the Settlement shall be the responsibility of Douglas J. The Parties agree that, in the event of default by Douglas J or Scott Weaver through failure to provide payment, Plaintiffs, at their sole discretion, may elect to terminate the Agreement in its entirety or to seek enforcement of this

Agreement against the noncomplying party.

B. Payments by Settling Defendants: Provided that there are no timely Objections to the Settlement and the time for submitting Objections has expired under Paragraph 4(A), one or more of the Settling Defendants shall make two wire payments to the Escrow Account as follows: (a) 50% of the Settlement Amount (i.e., \$1,400,000) shall be wired no later than December 31, 2023 (the “First Installment Payment”); and (b) the remaining 50% of the Settlement Amount (i.e., \$1,400,000) shall be wired no later than October 15, 2024 (the “Second Installment Payment”).

C. Late Effective Date: In the event that there are one or more Objections and the Effective Date does not occur by December 1, 2023, the deadlines in Paragraph 5(B) above are extended as follows: the First Installment Payment will not be due until the last day of the calendar month immediately following the month in which the Effective Date occurs, and the Second Installment Payment will not be due until one year after the deadline for the First Installment Payment. Notwithstanding the previous paragraph, if the Effective Date does not occur by September 30, 2024, the Second Installment Payment will not be due until the last day of the calendar month immediately following the month in which the Effective Date occurs.

D. Service Award: \$15,000 is to be distributed to each Plaintiff

from the Escrow Account as a Service Award in recognition of, and in consideration for, the assistance they rendered to Class Counsel in pursuing the rights of all Class Members.

E. Settlement Administration Costs: All Settlement Administration Costs shall be paid from the Escrow Account upon the approval of Defendants Counsel.

F. Class Counsel's Attorneys' Fees, Costs, and Expenses: Class Counsel may request, and Defendants will not oppose, a payment from the Escrow Account for attorneys' fees for all the work already performed and all the work remaining to be performed, and for costs and expenses incurred by Class Counsel in prosecution and implementation of the terms of the Settlement, in a gross amount not to exceed the sum of Class Counsel's actual costs and one-third of the Settlement Amount after Class Counsel's actual costs are deducted from the Settlement Amount.

G. Determination of Eligibility and Appeal: As to each person submitting a Claim Form, the Settlement Administrator shall determine whether the individual is eligible to receive a payment from the net Settlement Amount. For any person determined to be ineligible, the Settlement Administrator will send a notice of ineligibility via email and/or regular mail. Such notice of ineligibility shall inform the recipient of their right to appeal the Settlement Administrator's determination to

the Settlement Administrator within 21 days, and provide information regarding where and how to submit such an appeal. The Settlement Administrator shall endeavor to the fullest extent possible to resolve any such appeals within 60 days of the end of the Claims Period.

H. Calculating Qualifying Hours and Qualifying Time: The Settlement Administrator shall determine each Participating Class Member's Qualifying Hours and Qualifying Time based on information provided on the Claims Form.

I. Payments to Participating Class Members: Subject to the final approval of this Agreement, payments from the net Settlement Amount, which shall be the amount remaining after subtracting the amounts to be paid under Paragraphs 5(D), 5(E), and 5(F) above, shall be made by the Settlement Administrator to each Participating Class Member in the amount of the product of the Hourly Rate multiplied by the Qualifying Time multiplied by two multiplied by one plus the Interest Rate.

Specifically, a Participating Class Member's Qualifying Time (see Paragraphs 2(Y), 2(Z), and 2(AA) above) will first be multiplied by the applicable Hourly Rate (see Paragraph 2(N) above). The resulting product represents the Participating Class members' unpaid wages. The product for unpaid wages is then multiplied by two. The multiplier seeks to compensate Participating Class Members for liquidated

damages, recoverable under wage and hour laws. This second product is then multiplied by 1 plus the applicable Interest Rate (see Paragraph 2(O), to account for interest related to an individual's claimed damages. In mathematical form the calculation is:

$$\text{Qualifying Time} \times \text{Hourly Rate} \times 2 \times (1 + \text{Interest Rate})$$

Final payments may be subject pro rata reduction pursuant to Paragraph 5(K) below.

J. Disbursement: The Settlement Administrator shall disburse the funds to be paid under Paragraphs 5(D), 5(F), and 5(I) above from the Escrow Account as soon as practicable after receipt of the Second Installment Payment.

K. Pro Rata Calculation: To the extent the total payments to be made under Paragraph 5(I) above exceed the total remaining Settlement Amount after deducting the payments to be made under Paragraphs 5(D), 5(E), and 5(F) above, the payment to each Participating Class Member will be reduced on a pro rata basis by the Settlement Administrator.

L. Condition Precedent: The Settlement and all payments described in this Agreement are conditioned upon passing of the Effective Date.

M. Reversion of Remaining Fund: All funds remaining from the Settlement Amount following all disbursements to Participating Class Members under this Agreement (the "Residual Funds") shall revert to Settling Defendants. If

the Residual Funds exceed \$1 million, then Douglas J shall use any Residual Funds that exceed \$1 million to fund scholarships for low-income cosmetology students. If after the Claims Period ends it seems that the Residual Funds will exceed \$1 million, the Parties will negotiate a Scholarship Agreement to be submitted to the Court as part of the motion identified in Paragraph 6(A).

The Parties agree that at the time of entering into this Agreement, it is hard to assess the total number of Participating Class Members or the size of their Qualifying Time and, as a result, the Settlement Amount is based on an estimated total amount of potential claims as opposed to an accurate assessment of damages. The Parties further agree that, given the size of the Settlement Amount, the provisions of this Paragraph 5(M) are critical to Defendants' willingness to enter into this Agreement.

N. Taxes and Indemnification:

i. For tax purposes, the amount received by each Participating Class Member under Paragraph 5(I) equal to the applicable Michigan minimum wage multiplied by the Qualifying Time will be treated as wages and reported by the Settlement Administrator on an IRS Form W2. The remainder of the amount received by each Participating Class Member will be reported by the Settlement Administrator on an IRS 1099 form.

ii. The amount paid to each Participating Class Member

attributable to wages shall be subject to all applicable taxes and other withholdings and shall be net of the Participating Class Member's share of all federal, state, and local taxes and required withholdings as provided for on the Participating Class Member's submitted W4 except as to Participating Class Members who are not eligible to work or who lack a valid social security number. As to the latter Participating Class Members, withholdings shall be made in accordance with applicable law including regulations and guidance from the Internal Revenue Service and the Michigan Department of Treasury. The Employer Taxes shall be paid by Douglas J separately and in addition to Settling Defendants' payment of the Settlement Amount. For each Participating Class Member, the Settlement Administrator shall determine the employer tax obligation and provide that information to Douglas J. If Douglas J disagrees with the Settlement Administrator's determination of the employer taxes, they will communicate with the Settlement Administrator and share information reasonably necessary to reach a good faith determination of the correct taxes.

iii. The Parties agree that, for tax purposes, the Service Award to the Plaintiffs under Paragraph 5(D) above shall be treated as non-employee income and the Settlement Administrator shall issue each Plaintiff an IRS Form 1099 in the amount of her Service Award.

iv. Each Participating Class Member shall be solely and

exclusively responsible for their taxes, interest and penalties, if any, of any nature, owed with respect to any payment received by them under this Agreement and will indemnify and hold Defendants, the Released Parties (as defined below), Defendants' Counsel, and Class Counsel harmless from and against any and all taxes, penalties, and interest of any nature assessed as a result of a Participating Class Member's failure to timely and properly pay their taxes.

6. Final Approval Procedures

A. Final Fairness and Approval Hearing: Within 14 days of the deadline for Claims Reporting as described in Paragraph 3(J) above, Class Counsel shall file a motion with the Court requesting a Final Fairness and Approval Hearing in order to: (1) determine whether the Court should give this Agreement final approval; (2) determine whether Class Counsel's application for attorneys' fees and costs, and request for the Service Award (as defined above) to the Plaintiffs, should be granted; and (3) consider any timely Objections to the Settlement.

B. Final Approval Order: At the Final Fairness and Approval Hearing, the Plaintiffs, Class Counsel, and Defendants shall ask the Court to give final approval to this Settlement. Class Counsel will submit a proposed Final Approval Order (in a form submitted by Class Counsel and approved by Defendants' Counsel) for entry by the Court. The proposed Final Approval Order will adjudicate all claims set forth in the Litigation and implement the release of Released Claims,

as set forth in this Agreement.

7. Release and Dismissals

A. Initial Dismissals: The Parties agree to dismiss Count III of Plaintiffs' Complaint and the Litigation as to the Non-Settling Defendant within 14 days of the Preliminary Approval Date. That dismissal will be with prejudice and without costs or attorneys' fees to any Party. The Parties hereby authorize their attorneys to execute the stipulation attached as Exhibit D to be submitted by Defendants' Counsel to the Court to effectuate that dismissal.

B. Release: For and in consideration of the payments to be received under this Agreement, all Settlement Class Members waive and release Defendants, and each of their respective parents, subsidiaries, predecessors, successors, affiliates, and/or assigns, and any and all of its/their current and former owners, directors, officers, shareholders, members, managers, agents, representatives, and employees (collectively the "Released Parties"), both jointly and individually, from any and all liability relating to all Released Claims. The foregoing release and waiver includes any rights and benefits of § 1542 of the California Civil Code, which the Parties agree was separately bargained for and is a material element of this Settlement of which the release and waiver in this Paragraph is a part.

C. No Current Claims: Other than the Litigation, Plaintiffs represent that they have not filed any complaints, claims, or actions against any of

the Released Parties with any federal, state, or local court or governmental agency relating to Released Claims. Plaintiffs further acknowledge that they are not aware of any other claims against the Released Parties. Each Settlement Class Member shall be barred from bringing, continuing, or maintaining any claim or legal proceeding with respect to any Released Claim. Settlement Class Members will not authorize any other person or entity to seek individual remedies against any of the Released Parties concerning any Released Claim.

D. No Assignment of Claims: Plaintiffs warrant and represent that they: (a) have the sole right, title, and interest to the claims released under this Agreement; (b) have not assigned or transferred, nor purported to assign or transfer, to any person or entity, any claim, or any portion thereof or interest therein, released pursuant to this Agreement; and (c) have not assigned or transferred, nor purported to assign or transfer, to any person or entity, the right to the monies, in whole or in part, being paid pursuant to this Agreement. Plaintiffs represent that they are not aware of any Class Member that has engaged in the foregoing.

E. Interpretation of Release: This release is to be construed as broadly as possible under the law, and the provisions of this Agreement should be interpreted to give effect to such intent.

F. Dismissal of Settling Defendants: Within 14 days of the entry of the Final Approval Order, counsel for the Parties will file a stipulated order of

dismissal with prejudice, and without further costs or attorneys' fees to any party, dismissing the Settling Defendants. The Parties will request that the Court retain jurisdiction to reopen the Litigation to enforce the terms of this Agreement until all payments due hereunder are made.

8. Interpretation and Enforcement

A. No Waiver of Arbitration Agreements: The Parties agree that, by entering into and seeking Court approval of this Agreement, Defendants and the Released Parties in no way waive any rights to enforce arbitration agreements entered into between them and any Class Member, including the waiver of class and collective action litigation or to enforce similar agreements, relating to any disputes or issues not covered in this Agreement.

B. Cooperation to Implement Settlement: The Parties agree to reasonably cooperate with each other to accomplish the terms of this Settlement, including but not limited to executing such documents and taking such other actions as may reasonably be necessary to implement the terms of the Settlement. The Parties shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate the terms of this Agreement.

C. No Admission of Liability and Inadmissibility of Settlement

i. Defendants deny liability to Plaintiffs and all other Class

Members for any claim or cause of action. Defendants have denied and continue to deny each of the claims and contentions alleged by Plaintiffs in the Litigation. By entering into this Agreement, Defendants in no way admit to the suitability of the Litigation for class or collective action other than for purposes of this Settlement.

ii. Settlement of the Litigation and all acts performed or documents executed in furtherance of this Agreement or the Settlement are not, shall not be deemed to be, and may not be used: (a) as an admission or evidence of any wrongdoing or liability on the part of Defendants or the Released Parties, or of the truth of any of the factual allegations in the Litigation; (b) as an admission or evidence of fault or omission on the part of Defendants or the Released Parties in any civil, criminal, administrative, or arbitral proceeding; or (c) as an admission or evidence of the appropriateness of these or similar claims for class or collective action treatment other than for purposes of administering this Agreement. The Parties understand and agree that this Agreement and its exhibits are settlement documents and shall be inadmissible in any proceeding for any reason, unless otherwise ordered by a court or in a proceeding to enforce the terms of this Agreement.

D. Process of Termination: To terminate this Agreement, the terminating party shall give the non-terminating party 30-days' notice in writing via email to the non-terminating party's counsel. During the 30 days between when such

notice is given and the termination date, the Parties shall negotiate in good faith to resolve any concerns and/or cure any breaches of this Agreement. Nothing prevents the parties from extending the 30-day period between notice and termination.

E. Effect of Termination: In the event the Settlement or Agreement is terminated, the Parties shall be deemed to have reverted to their respective status in this Litigation as of the date of the filing of the motion for preliminary approval, with all their respective claims and defenses preserved as they existed on that date. The terms of this Settlement shall be null and void and shall have no further force or effect, and neither the existence nor the terms of this Settlement nor any acts performed pursuant to, or in furtherance of, this Settlement shall be used in this Litigation or in any other proceeding for any purpose; any judgment or order entered by the Court in accordance with the terms of this Settlement shall be treated as vacated *nunc pro tunc*. Upon termination by any Party, all claims asserted by Plaintiffs against Defendants will be tolled for all individuals who have potential claims arising under Counts I-III of the Complaint as class members from the date this Agreement is fully executed to the date the termination becomes effective in accordance with Paragraph 8(D).

F. Cooperation in Drafting: The Parties agree that the terms and conditions of this Settlement are the result of negotiations between the Parties, and that this Settlement shall not be construed in favor of or against any Party by reason

of the extent to which any Party, his, her, its, or their counsel participated in its drafting.

G. Applicable Law: All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of Michigan, without giving effect to any conflict of law principles or choice of law principles.

H. Captions and Headings: Captions, headings, or paragraph titles in this Settlement are a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision.

I. Modification: This Agreement may not be changed, altered, or modified, except in writing, and signed by the Parties, and approved by the Court. This Settlement may not be discharged except as according to its terms or by a writing signed by the Parties. No waiver, modification, or amendment of the terms of this Agreement will be valid or binding unless in writing, signed by or on behalf of all Parties and then subject to any required Court approval. Any failure by any Party to insist upon the strict performance by the other Party of any of the provisions of this Agreement will not be deemed a waiver of future performance of the same provisions or of any of the other provisions of this Agreement, and such Party, notwithstanding such failure, will have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

J. When Agreement Becomes Binding; Counterparts: Subject to Paragraph 8(Q)(ii) below, this Agreement will become binding upon its full execution. The Parties may execute this Agreement in counterparts, and execution in counterparts shall have the same force and effect as if all Parties had signed the same instrument.

K. Integration Clause: This Settlement contains the entire agreement between the Parties relating to the resolution of the Litigation. All prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged in this Agreement.

L. Binding on Assigns: This Settlement may be binding upon and inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, successors, and assigns.

M. Newly Discovered Facts: Plaintiffs acknowledge that they may later discover facts different from or in addition to those that they now know or believe to be true, and they agree that this Agreement will remain in effect regardless of such additional or different facts.

N. Right to Engage in Protected Activity: Nothing in this Agreement prevents Plaintiffs from filing a charge or complaint with or from participating in an investigation or proceeding conducted by any federal, state, or local agency charged with the enforcement of any laws, or from exercising rights

under Section 7 of the NLRA to engage in joint activity with other employees. However, by signing this Agreement, Plaintiffs are waiving their rights to individual relief based on claims asserted in such a charge or complaint, except where such waiver of individual relief is prohibited.

O. No Re-employment: Plaintiffs understand that they are not presently Defendants' employees. Plaintiffs permanently, unequivocally, and unconditionally waive any and all rights they may now have, may have had in the past, or may have in the future to obtain or resume employment with Defendants. Plaintiffs agree never to apply for employment with Defendants, their parents, successors, affiliates, subsidiaries, or related entities. If Plaintiffs are ever mistakenly employed by Defendants, or any of their parents, successors, affiliates, subsidiaries, and/or related entities, Plaintiffs agree to have their employment terminated with no resulting claim or cause of action against Defendants, their parents, successors, affiliates, subsidiaries, and/or related entities.

P. Sufficiency of Consideration: Each Plaintiff and each Class Member acknowledges that the Settlement Amount is appropriate compensation or damages for all claims alleged, and the sufficiency of the consideration paid for this Agreement and all the paragraphs contained herein.

Q. Compliance with Older Workers Benefit Protection Act: Plaintiffs and each Participating Class Member, if 40 years of age or older, are

advised of and acknowledge the following:

i. Plaintiffs may consider this Agreement for up to 21 days after it is delivered to Plaintiffs. Plaintiffs acknowledge that they have carefully read and fully understand the provisions of this Agreement, and that Plaintiffs are voluntarily entering into this Agreement. Plaintiffs acknowledge that they have been advised in writing to consult with an attorney. Plaintiffs affirm that they have consulted with an attorney of their choosing with respect to this Agreement.

ii. Plaintiffs reserve the right to revoke this Agreement for a period of 7 days following the date of execution (the “Revocation Period”). Plaintiffs must deliver by email notice any revocation of this Agreement within the Revocation Period to Defendants’ Counsel, Warner Norcross + Judd LLP, c/o Amanda Fielder, afielder@wnj.com. This Agreement shall not become effective or enforceable until after this Revocation Period has expired (the “Revocation Deadline”).

R. Additional Medicare and Medicaid Conditions:

i. The Parties intend to comply with the Medicare Secondary Payer statute (42 U.S.C. §1395y) and to protect Medicare’s interests, if any, in this Settlement. As used herein, the term “Medicare” includes Medicare Part A (Hospital Insurance), Medicare Part B (Medical Insurance), Medicare Part C (Medicare Advantage Organizations) and Medicare Part D (Prescription Drug Insurance).

Participating Claims Members agree that an inquiry has been made with all interested Medicare plans to determine the amount of any claim related Medicare conditional payments that have been made by Medicare, if any, and the amount requiring repayment for all Medicare liens.

ii. In addition to the Release set forth above, in consideration of the payments set forth in this Agreement, hereby waives any 42 US Code § 1395y (b)(3)(A) cause of action and/or private cause of action, and releases and forever discharges the Released Parties from any obligations, from any claim, known or unknown, arising out of the failure of Released Parties to provide for a primary payment or appropriate reimbursement pursuant to 42 US Code §1395y (b) (3)(A).

iii. Participating Claims Members agree to indemnify, defend, and hold the Released Parties harmless for any claim, loss or payment the Released Parties may suffer, including judgments, verdicts, awards, penalties, attorneys' fees and costs, that arises out of the failure to pay any unpaid medical bills or future medical expenses, or to otherwise fail to protect Medicare's interests under the MSP Act. Participating Claims Members agree and by this Agreement waive any claims for damages, indemnification and/or contribution from any causes of action of any kind or nature, including but not limited to a private cause of action provided in the Medicare Secondary Payer (MSP) Act, 42 U.S.C. Section 1395y(b)(3)(A).

Dated: 7/19/2023, 2023

DocuSigned by:
Joy Eberline
579E94C4003C470...
Joy Eberline

Dated: 7/19/2023, 2023

DocuSigned by:
Cindy Zimmermann
14CDAE998B544C8...
Cindy Zimmermann

Dated: 7/19/2023, 2023

DocuSigned by:
Tracy Poxson
D18631A17EEF4AF...
Tracy Poxson

Dated: 7/19/2023, 2023

Douglas J. Holdings, Inc.
DocuSigned by:
Scott A. Weaver
E0F5B0B7545C4D6...
By: Scott A. Weaver
Its: President

Dated: 7/19/2023, 2023

Douglas J. AIC, Inc.
DocuSigned by:
Scott A. Weaver
E0F5B0B7545C4D6...
By: Scott A. Weaver
Its: President

Dated: 7/19/2023, 2023

Douglas J. Institute, Inc.
DocuSigned by:
Scott A. Weaver
E0F5B0B7545C4D6...
By: Scott A. Weaver
Its: President

Dated: 7/19/2023, 2023

DocuSigned by:
Scott A. Weaver
E0F5B0B7545C4D6...
Scott A. Weaver

28774455-4-7/10/2023

Exhibit A

Eberline et al. v. Douglas J. Holdings, Inc. et al.
Eastern District of Michigan, Southern Division, Case No. 5:14-cv-10887

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

PLEASE READ THIS NOTICE CAREFULLY. YOUR LEGAL RIGHTS MAY BE AFFECTED.

A hybrid class and collective action settlement has been reached between the Parties in the above-entitled action and preliminarily approved by the Court as described below. You have received this notice because Douglas J. Institute, Inc.’s (“Douglas J”) records indicate that you may have been enrolled between 2012 and 2022 in a Douglas J cosmetology school in Michigan. During that time, you may have performed specific cleaning, laundry, restocking, and/or sales tasks for which you may be entitled to compensation under the Settlement.

This notice provides information on who is eligible to participate in the settlement, how to participate in the settlement, and how to preserve your legal rights.

1. WHY SHOULD I READ THIS NOTICE?

You should read this notice because you may be entitled to receive money from the Settlement if it is approved by the Court and your legal rights may be affected even if you do nothing. The Settlement and Release Agreement (“Settlement Agreement”) sets forth the details of the Settlement, which are summarized in this notice. You may obtain a copy of the Settlement Agreement from the Settlement website, www.CosmetologySchoolSettlement.com, or from the Settlement Administrator. The proposed Settlement Agreement has been submitted to the Court and has been preliminarily approved for settlement purposes. The Court appointed the law firms of Sugar Law Center for Economic & Social Justice and Goodman Hurwitz & James PC as “Class Counsel” to represent you and the Class.

As a member of Class, you are entitled to share in the funds available for Settlement in this class action. You are not being sued and you will not be individually responsible for any of the attorneys’ fees or expenses of the litigation, because the Settlement Agreement requires that those amounts to be paid as part of the Settlement. However, your rights will be affected, as described in this notice, whether you act or not.

2. WHAT IS THIS LAWSUIT ABOUT?

Plaintiffs Joy Eberline, Cindy Zimmermann, and Tracy Poxson (collectively “Plaintiffs”) filed a hybrid class and collective action complaint against Douglas J. Holdings, Inc., Douglas J. Institute, Inc., Douglas J. AIC, Inc., and Scott Weaver (the “Defendants”) on behalf of themselves and other similarly situated students who attended cosmetology schools run by Douglas J, which is now pending in the United States District Court for the Eastern District of Michigan before the Honorable Judith E. Levy, Case No. 5:14-cv-10887 (the “Litigation”).

In the Litigation, Plaintiffs alleged, among other claims, that they and other similarly situated students were employees for purposes of the Fair Labor Standards Act (“FLSA”) and state wage-and-hour laws when they were performing specific cleaning, laundry, restocking, and/or sales tasks during their time enrolled as students in Douglas J.’s student clinic, and thus claimed should be paid

wages for the time spent performing these tasks. The Defendants deny all allegations of wrongdoing.

Rather than waiting for the Court to enter a final decision in favor of the Plaintiffs or Defendants, the Plaintiffs and Defendants have entered into a Settlement Agreement that will, if finally approved by the Court, fully resolve the claims alleged against Defendants in these cases. Before it will take effect, the Court must consider whether to finally approve the terms of the Settlement Agreement described below as fair and reasonable to the Class.

If approved by the Court, the Settlement will affect all Settlement Class Members who do not exclude themselves from the Settlement. The Settlement Administrator that has been appointed by the Court will make all approved payments after the Court orders them.

3. WHO IS INCLUDED IN THIS SETTLEMENT?

Any student who attended Douglas J.'s cosmetology programs in Michigan and participated in the Alpha, Beta, Gamma, and/or Salon Life courses in 2012 through 2022, and who does not opt out of the Class.

4. WHY IS THERE A SETTLEMENT?

The Court has not decided in favor of the Plaintiffs or the Defendants. Instead, both sides have agreed to the proposed Settlement. By agreeing to the proposed Settlement, they avoid the costs and uncertainty of a trial, and Class Members receive the benefits described in this notice. The proposed Settlement does not mean that any law was broken or that Defendants did anything wrong or that the Plaintiffs and the Class would or would not win their case if it were to go to trial. The Parties believe that the proposed Settlement is fair, reasonable, and adequate, and will provide substantial benefits to the Class.

5. WHAT CAN I GET FROM THE SETTLEMENT?

The Settlement provides for the Defendants to pay a Settlement Amount of \$2,800,000 in two installments \$1,400,000 each which is inclusive of all payments for Settlement Administration Costs, Class Counsel's fees and expenses, Service Awards to the Plaintiffs who brought the lawsuit, and Claims as set forth in the Settlement Agreement.

Class Members who submit a valid Claim Form will be paid based on Qualifying Hours and Qualifying Time. The Settlement Administrator shall determine each Participating Class Member's Qualifying Hours and Qualifying Time based on information provided on the Claim Forms and verified in Douglas J's records.

Payments will be made from the net Settlement Amount, which is the amount remaining after subtracting the amounts to be paid for Settlement Administration Costs, Class Counsel's fees and expenses, and Service Awards to the Plaintiffs. These payments shall be made by the Settlement Administrator to each Participating Class Member in the amount of the product of the Hourly Rate multiplied by the Qualifying Time multiplied by two and then multiplied by 1 plus the Interest Rate. Qualifying Time for participating Class Members will be capped at no more than 10% of their Qualifying Enrollment. Depending on the number of claims received, and if there are not enough funds in the net Settlement Amount to pay the full claimed amounts, payments will be adjusted

downward on a pro rata basis to pay valid claims. The Settlement Administrator shall disburse the funds to be paid as soon as practicable after receipt of the Second Installment Payment, anticipated to occur in October 2024.

6. WHAT DO I NEED TO DO TO GET PAID?

If you want to participate in the Settlement, you must file a Claim Form to get payment from the net Settlement Amount. If you are a Class Member, all you need to do is file a claim online or via mail. Any payment will be subject to applicable taxes.

It is important to provide the Settlement Administrator with your correct mailing address and to inform the Settlement Administrator of any address change between the time that you complete the Claim Form and when checks are mailed

For tax purposes, up to 49.5% of the amount received by each Participating Class Member will be treated as wages and reported by the Settlement Administrator on an IRS Form W2. The remainder of the amount received by each Participating Class Member will be liquidated damages (up to 49.5%) and interest (from 1% to 10%) and will be reported by the Settlement Administrator on an IRS Form 1099. The amount of each award treated as wages, liquidated damages, and interest will vary based on the year of attendance. The amount attributable to wages will be subject to all applicable taxes and other withholdings. For 1099 reported income, please consult your tax advisor.

You may file a claim with or without a social security or tax identification number. However, if a valid social security or tax identification number is not on file, payments will be net of an automatic backup withholding.

7. WHEN WILL I GET PAID?

If the Settlement is approved by the Court, payments are expected to be made to valid Claims sometime after October 15, 2024.

8. WHAT IF I DO NOTHING?

If you do nothing, you will not receive payment from the Settlement. In addition, you will be bound by the terms of the Settlement Agreement. Specifically, unless you affirmatively exclude yourself from the Settlement, you will be bound by the terms of the release as described in the Settlement Agreement and therefore be barred from pursuing any of the Released Claims against Defendants in this lawsuit. **The Released Claims include claims that you may have against Defendants under the FLSA.**

9. WHAT IS OPTING-OUT OF THE SETTLEMENT AND HOW DO I DO IT?

If you do not wish to participate in the Settlement, you may exclude yourself (“opt out”) by filling out and printing the Opt Out Form on the Settlement website **www.CosmetologySchoolSettlement.com** and mailing it postmarked by [Month Day Year]. The Opt Out Form must be completed, signed, dated, and mailed by the postmark date of no later than [Opt Out Deadline] to the Settlement Administrator at the following address:

Eberline v. Douglas J. Holdings - Opt Out Form
c/o Kroll Settlement Administration LLC

P.O. Box 225391
New York, NY 10150-5391

Any person who submits a timely Opt Out Form shall, upon receipt, no longer be a member of the Settlement Class, shall be barred from participating in or objecting to any portion of the Settlement, and shall receive no money from the Settlement; however, any such person, at his/her own expense, may pursue any claims he/she may have against Defendants. You cannot file a Claim Form if you choose to opt out of the Settlement.

10. HOW DO I COMMENT OR OBJECT TO THE SETTLEMENT?

If you are a Class Member and you wish to comment on or object to the Settlement, you may file a written objection to the Settlement with the Settlement Administrator postmarked no later than [Objection Deadline]. If you wish to submit an objection, it must be signed by you and state the following: (1) the case name and number; (2) your name; (3) your current address; (4) the last four digits of your Social Security Number; (5) the basis for your objection in detail; and (6) whether you intend to appear at the Final Approval Hearing. For an objection to be timely, it must be completed, signed, dated, and mailed with a postmark date of no later than [Objection Deadline] to the Settlement Administrator at the following address:

Eberline v. Douglas J. Holdings - Objection to Settlement
c/o Kroll Settlement Administration LLC
P.O. Box 225391
New York, NY 10150-5391

Your objection cannot ask the Court to order a larger Settlement or make other changes to the Settlement Agreement. The Court can only approve or deny the Settlement Agreement at hand. If you choose to object to the Settlement, you will still be bound by the Settlement terms, you may appear at the Final Approval Hearing personally or you may hire and pay for an attorney to represent you. If you object, you may still file a claim.

11. WHAT CLAIMS DO I RELEASE IF I PARTICIPATE IN THE SETTLEMENT?

In consideration of the payments to be received under the Settlement Agreement, all Settlement Class Members release Defendants, and each of their respective parents, subsidiaries, predecessors, successors, affiliates, and/or assigns, and any and all of its/their current and former owners, directors, officers, shareholders, members, managers, agents, representatives, and employees (collectively, the "Released Parties"), both jointly and individually, from any and all liability relating to all Released Claims. The Settlement Agreement's release includes any and all claims under any federal, state and/or local statute, law and/or ordinance, including, without limitation, claims under and/or based on the FLSA, the Michigan Workforce Opportunity Wage Act, the Michigan Minimum Wage Law, and the Michigan Wage and Fringe Benefits Act; any contract or quasi-contract theory; any constitution or regulation; any common law theory; and/or any other claims that were or could have been asserted in this action, which the Parties agree was separately bargained for and is a material element of this Settlement of which the release and waiver in this paragraph is a part.

12. WHO ARE THE LAWYERS REPRESENTING ME?

The attorneys for Plaintiffs and the Settlement Class are John Philo of Sugar Law Center for Economic & Social Justice and Kathryn Bruner James of Goodman Hurwitz & James PC (“Class Counsel”). They may be reached at:

John Philo
(jphilo@sugarlaw.org)
Sugar Law Center for Economic & Social Justice
4605 Cass Avenue, 2nd Floor,
Detroit, Michigan 48201

Kathryn Bruner James
(kjames@goodmanhurwitz.com)
Goodman Hurwitz & James PC,
1394 E. Jefferson Avenue,
Detroit, Michigan 48207

You will not be charged for their services. Instead, Class Counsel will request to be compensated directly from the Settlement. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. HOW WILL THE LAWYERS BE PAID?

All payments for Class Counsel’s fee and expense award will be approved by the Court and deducted from the Settlement Amount. Class Counsel will apply to the Court for final approval of their attorney’s fees in an amount up to one third (1/3) of the Settlement Amount plus Class Counsel’s actual costs and expenses incurred in the litigation. The amount of fees and costs awarded will be determined by the Court and will be paid from the Gross Settlement Amount paid by Defendant.

Class Counsel will also ask the Court for a special service payment (or “Service Award”) of up to \$15,000.00 each for Plaintiffs Joy Eberline, Cindy Zimmermann, and Tracy Poxson, for their work on behalf of the Settlement Class. Any Service Award also must be approved by the Court.

14. FINAL SETTLEMENT APPROVAL HEARING.

The Eastern District of Michigan, Southern Division, will hold a hearing at [ADDRESS] on [DATE], at [TIME] to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve Class Counsel's request for attorneys’ fees and reimbursement of costs and expenses and the service awards to be paid to Plaintiffs. The hearing may be continued without further notice to the Class. It is not necessary for you to appear at this hearing. You should check the Settlement website for updates.

15. ADDITIONAL INFORMATION.

The above is a summary of the basic terms of the Settlement. A complete copy of the Settlement Agreement may be obtained from Settlement website, www.CosmetologySchoolSettlement.com, the Settlement Administrator or Class Counsel. Further, documents filed in litigation, including documents related to Settlement approval may be found on the Court’s website at [URL].

Additionally, you may obtain information concerning the Settlement, including deadlines and hearing dates pertaining to the Settlement, as well as contact information for answering questions and/or obtaining further information about the Settlement at www.CosmetologySchoolSettlement.com. The website includes links to documents related to the Settlement, including the fully executed Settlement Agreement, an online claim-filing portal to instantly file your Claim Form, the Notice of Settlement, and other Court orders related to the Settlement.

Please do not call the Court for information regarding this Settlement. All questions regarding the Settlement should be directed to Class Counsel or the Settlement Administrator.

Eberline et al. v. Douglas J. Holdings, Inc.
c/o Kroll Settlement Administration LLC
P.O. Box 225391
New York, NY 10150-5391

Exhibit B

II. PAYMENT ELIGIBILITY INFORMATION

Settlement Class Members who file a valid claim will be eligible to receive payment based on their enrollment status, enrollment period and work time. All information provided will be confirmed against Defendants’ records.

1. Check the appropriate box below to indicate whether you were a Full-time Student or a Part-time Student.

- I was enrolled primarily as a **Full-time Student**. I was enrolled primarily as a **Part-time Student**.

III. HOURS SPENT ON WORK

2. During your enrollment at Douglas J, were you required to do laundry during your time at the school?

- Yes No

If you answered ‘No’ to question 2, please proceed to question 3. If you answered ‘Yes’ to question 2, please answer the following: **How many hours per week on average do you estimate that you spent doing required laundry and related activities (e.g., doing laundry, folding towels, restocking towels, etc.) during the time you were enrolled in the Alpha, Beta, Gamma, and/or Salon Life courses? (Select one and only one box below, as applicable)**

As a Full-time Student:

- Less than 1 hour
- 1-2 hours
- More than 2 hours

As a Part-time Student:

- Less than 45 minutes
- 45 minutes - 1.5 hours
- More than 1.5 hours

3. During your enrollment at Douglas J, were you required to assist with general cleaning tasks during your time at the school?

Please note general cleaning tasks do not include cleaning your assigned work station, cleaning your own tools, and cleaning up areas that you used to provide services to a guest. Instead, general cleaning tasks include activities such as:

- sweeping or mopping floors away from the area around your work station;
- cleaning and wiping down the glass doors and windows;
- cleaning and wiping sinks or mirrors other than at your work station;
- cleaning and wiping down counters or cabinet faces other than after you provided services to a guest;
- cleaning and wiping down walls;
- cleaning the face and wheels of carts other than yours;
- cleaning and wiping down bottles in the shampoo area;
- restocking products such as shampoo and condition in the back bar;
- cleaning bowls, brushes or other equipment in the color area other than after you provided services to a guest;
- cleaning throughout the student break room;
- cleaning and wiping down classroom desks, blackboards or whiteboards;
- picking up trash in the classrooms, etc.

- Yes No

If you answered ‘No’ to question 3, please proceed to question 4. If you answered ‘Yes’ to question 3, please answer the following: **How many hours per week on average do you estimate that you spent doing required general cleaning tasks as described above during the time you were enrolled in the Alpha, Beta, Gamma, and/or Salon Life courses? (Select one and only one box below, as applicable)**

As a Full-time Student:

- Less than 1 hour
- 1-2 hours
- 2-3 hours
- 3-4 hours
- More than 4 hours

As a Part-time Student:

- Less than 45 minutes
- 45 minutes - 1.5 hours
- 1.5 hours - 2 hours
- 2 - 3 hours
- More than 3 hours

4. During your enrollment at Douglas J, were you required to engage in any product restocking activities or product sales tasks during your time at the school?

Yes No

If you answered 'No' to question 4, please proceed to question 5. If you answered 'Yes' to question 4, please answer the following: **How many hours per week on average do you estimate that you spent doing product sales activities during the time you were enrolled in the Alpha, Beta, Gamma, and/or Salon Life courses?** (Select one and only one box below, as applicable.)

As a Full-time Student:

- Less than 1 hour
- 1-2 hours
- More than 2 hours

As a Part-time Student:

- Less than 45 minutes
- 45 minutes - 1.5 hours
- More than 1.5 hours

5. If you answered 'No' to question nos. 2, 3 and 4, you may skip this question. If you answered "Yes" to question nos. 2, 3, or 4, then please answer the following question:

Were you eligible to work in the United States during the time that you were enrolled as a student at Douglas J.? (Please note that your answer to this question is only being used for the purposes of this settlement and not for any other purpose. Additionally, you are still entitled to payment even if you were ineligible to work in the United States at the time of your enrollment, however taxes will be withheld as required by law).

Yes No

IV. SIGN AND DATE YOUR CLAIM FORM

I declare under the penalty of perjury that all the above information is true and correct to the best of my knowledge.

Signature

____/____/_____
Date (mm/dd/yyyy)

Print Name

Please keep a copy of your completed Claim Form for your records.

If you are submitting your Claim Form by mail, send the completed form to the Settlement Administrator at:

Eberline v. Douglas J. Holdings
c/o Kroll Settlement Administration LLC
P.O. Box 225391
New York, NY 10150-5391

It is your responsibility to notify the Settlement Administrator of any changes to your contact information after you submit your claim. You can also update your contact information on the Contact page at the Settlement website, www.CosmetologySchoolSettlement.com.

Exhibit C

Eberline et al. v. Douglas J. Holdings, Inc. et al., Case No. 5:14-cv-10887,
United States District Court for the Eastern District of Michigan

OPT OUT FORM

This is NOT a Claim Form.

This Opt Out Form EXCLUDES you from the class action Settlement in the above-captioned action. DO NOT use this form if you wish to remain in the Settlement Class.

CAREFULLY READ the Settlement Agreement available at www.CosmetologySchoolSettlement.com BEFORE completing or submitting this form.

*Settlement Claim ID: **7 1 0 8 0** _____

Your Settlement Claim ID can be found on the email or postcard you received informing you about the Settlement. If you need additional help locating this ID, please contact the Settlement Administrator at the contact section of the Settlement website, www.CosmetologySchoolSettlement.com.

*First Name MI *Last Name

*Mailing Address: Street Address/P.O. Box (include Apartment/Suite/Floor Number)

*City *State *Zip Code Zip4 (Optional)

*Current Email Address @ (_____) _____ - _____
*Current Phone Number

I understand that the Settlement Administrator may email or call me in connection with this Settlement.

By submitting this form, you affirm that you are requesting exclusion from the Settlement Class and you do not wish to receive compensation under the terms of this Settlement. You understand that, by opting out of this Settlement, you (i) will not be eligible to participate in the Settlement and so will not receive payment from the Settlement; and (ii) you are preserving any rights you otherwise have to pursue claims that you may have against Defendants.

Signature

Date (mm/dd/yyyy)

Print Name

This form must be submitted online by **[Opt Out Deadline]** or, if mailed, must be postmarked by **[Opt Out Deadline]** and sent to *Eberline et al. v. Douglas J. Holdings, c/o Kroll Settlement Administration LLC, PO Box 225391, New York, NY 10150-5391*. If it is not submitted online or postmarked by **[Opt Out Deadline]** and you are a Settlement Class Member in the above-captioned action, you will not be excluded from, and you will be bound by, the Settlement.

Exhibit D

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

JOY EBERLINE, CINDY
ZIMMERMAN, and TRACY
POXSON, individually and on behalf
of all others similarly situated,

Case No. 5:14-cv-10887

Hon. Judith E. Levy
Magistrate Kimberly G. Altman

Plaintiffs,

v

DOUGLAS J. HOLDINGS, INC.,
DOUGLAS J. AIC, INC.,
DOUGLAS J. INSTITUTE, INC.
DOUGLAS J. EXCHANGES, INC.,
SCOTT A. WEAVER,
TJ WEAVER and KRISTI E.
BERNHARDT,

Defendants.

**STIPULATION OF DISMISSAL WITH PREJUDICE AS TO DOUGLAS J.
AIC, INC.**

Plaintiffs and Defendants, through their undersigned counsel, hereby jointly stipulate to the dismissal of Count III of Plaintiffs' Complaint (asserting claims under the Illinois Minimum Wage Law) and to the dismissal of all claims asserted against Douglas J. AIC, Inc., with prejudice, in accordance with Rule 41(a)(1)(A)(ii) of the Federal Rules of Civil Procedure, each party to bear their own costs.

STIPULATED AS TO FORM AND SUBSTANCE:

Kathryn Bruner James
GOODMAN HURWITZ & JAMES, P.C.
Attorneys for Plaintiffs
Dated: _____, 2023

Matthew T. Nelson
WARNER NORCROSS + JUDD LLP
Attorneys for Defendants
Dated: _____, 2023

Exhibit E

DocuSign Envelope ID: AB1DE030-4C80-4661-9069-DEF0447DF306

FIRST-CLASS MAIL
U.S. POSTAGE PAID
CITY, ST
PERMIT NO. XXX

c/o Kroll Settlement Administration LLC

P.O. Box 225391

New York, NY 10150-5391

**YOU MAY BE ELIGIBLE FOR A
PAYMENT UNDER A PROPOSED
CLASS ACTION SETTLEMENT.**

Claim Deadline: [Month XX, 2023]

TO FILE A CLAIM, VISIT

WWW.COSMETOLOGYSCHOOLSETTLEMENT.COM

www.CosmetologySchoolSettlement.com

For more information on whether you are eligible to participate in the settlement; to preserve your rights if you do not wish to participate; and for answers to additional questions, please **read this notice** and **visit**

<<Barcode>>

Class Member ID: <<Refnum>>

<<FirstName>> <<LastName>>

<<Address>>

<<Address2>>

<<City>>, <<ST>> <<Zip>>-<<zip4>>

[BARCODE AREA]

What is this about? This class-action lawsuit is known as *Eberline et al. v. Douglas J. Holdings, Inc. et al*, Case No. 5:14-cv-10887. The case is pending before the United States District Court, Eastern District of Michigan and is brought against the Defendants Douglas J. Holdings, Inc., Douglas J. AIC, Inc., Douglas J. Institute, Inc., and Scott A. Weaver. The lawsuit alleges that students should have been paid wages under federal and state wage-and-hour laws when students were required to perform specific cleaning, laundry, restocking, and/or retail sales tasks. The Plaintiffs claim that students should have received wages for the time spent on these tasks. Defendants deny any wrongdoing.

The Court has not entered a final decision in favor of the Plaintiffs or the Defendants. Instead, both sides have agreed to the proposed Settlement. By agreeing to the proposed Settlement, the parties avoid the uncertainty of a trial and of further litigation and

Class Members receive the benefits described in this notice and online at www.CosmetologySchoolSettlement.com.

Who is a Class Member? You have been identified as a Class Member based upon Defendants' records. A Class Member is any student who attended Defendant Douglas J. Institute, Inc.'s cosmetology programs in Michigan and who participated in the Alpha, Beta, Gamma, and/or Salon Life courses in 2012 through 2022.

What are the benefits? The Defendants have agreed to pay \$2,800,000 to a settlement fund to provide payment to eligible Class Members who timely submit a Claim Form; Class Counsel's fees and expenses; Settlement Administration Costs; and Service Awards for the named Plaintiffs. Payments to eligible Class Members are expected to be made shortly after October 2024. Payment details can be found on the Settlement website,

www.CosmetologySchoolSettlement.com, and in the Settlement Agreement, available on the Settlement website.

What are my rights?

Do nothing: If you do nothing, you will not receive payment from the net Settlement Amount and you will lose your right to sue the Defendants in court for these claims, **including claims under the Fair Labor Standards Act**, in a separate action.

Participate in the Settlement: To receive payment from this Settlement, you **must** file a Claim Form. You can file a claim online or by mail. Your claim must be received or postmarked by [Claim Deadline].

Exclude Yourself from the Settlement: You **must** submit an Opt Out Form to exclude yourself from the Settlement Class and keep any right that you may have to sue the Defendants in court on these same claims. If you submit an Opt Out form, you **will not**

receive any payment from this Settlement. All Opt Out Forms must be received or postmarked by [Opt Out Deadline].

Object to the Settlement: Objections must be mailed to the Settlement Administrator and must be received or postmarked by [Objection Deadline].

Further information about filing a claim, excluding yourself, and/or objecting are available on the Settlement website, www.BeautySchoolSettlement.com.

The Final Approval Hearing will be held at [Courthouse], in Courtroom [Room], on [Hearing Date] at [Time] to determine approval of the Settlement, award of attorneys' fees and expenses plus Service Awards for the original Plaintiffs. The motion for fees and expenses will be posted on the Settlement website after they are filed. Write: *Eberline v. Douglas J. Holdings*, c/o Kroll Settlement Administration LLC, PO Box 225391, New York, NY 10150-5324 for more information.

This is only a summary. For more information, visit www.CosmetologySchoolSettlement.com

Exhibit F

Subject: Notice of Class Action Settlement - Eberline et al. v. Douglas J. Holdings, Inc. et al

Class Member ID: <<#####>>

Claim Deadline: [Month XX, 2023]

NOTICE OF CLASS ACTION SETTLEMENT

in *Eberline et al. v. Douglas J. Holdings, Inc. et al*, Case No. 5:14-cv-10887
United States District Court, Eastern District of Michigan

**YOU MAY BE ELIGIBLE FOR A PAYMENT UNDER
A PROPOSED CLASS ACTION SETTLEMENT.**

TO FILE A CLAIM, VISIT WWW.COSMETOLOGYSCHOOLSETTLEMENT.COM

**THIS EMAIL IS NOT SPAM
PLEASE READ CAREFULLY – YOUR RIGHTS MAY BE AFFECTED**

For more information on whether you are eligible to participate in the settlement; to preserve your rights if you do not wish to participate; and for answers to additional questions, please read this notice and visit www.CosmetologySchoolSettlement.com.

Why are you receiving this notice? You have received this notice because Douglas J. Institute, Inc.’s (“Douglas J”) records indicate that you may have been enrolled between 2012 and 2022 in a Douglas J cosmetology school in Michigan. During that time, you may have performed specific cleaning, laundry, restocking, and/or sales tasks for which you may be entitled to compensation under the Settlement.

What is this about?

Plaintiffs Joy Eberline, Cindy Zimmermann, and Tracy Poxson (collectively “Plaintiffs”) filed a hybrid class and collective action complaint against Douglas J. Holdings, Inc., Douglas J. Institute, Inc., Douglas J. AIC, Inc., and Scott Weaver (the “Defendants”) on behalf of themselves and other similarly situated students who attended cosmetology schools run by Douglas J, which is now pending in the United States District Court for the Eastern District of Michigan before the Honorable Judith E. Levy, Case No. 5:14-cv-10887 (the “Litigation”). In the Litigation, Plaintiffs alleged, among other claims, that they and other similarly situated students were employees for purposes of the Fair Labor Standards Act (“FLSA”) and state wage-and-hour laws when they were performing specific cleaning, laundry, restocking, and/or sales tasks during their time enrolled as students in Douglas J.’s student clinic, and thus claimed should be paid wages for the time spent performing these tasks. Plaintiffs and Defendants have entered into a Settlement Agreement that will, if finally approved by the Court, fully resolve the claims alleged against Defendants in these cases.

The Court has not entered a final decision in favor of the Plaintiffs or the Defendants. Instead, both sides have agreed to the proposed Settlement. By agreeing to the proposed Settlement, the parties avoid the uncertainty of a trial and of further litigation and Class Members receive the benefits described in this notice and online at www.CosmetologySchoolSettlement.com.

Who is a Class Member? You have been identified as a Class Member based upon Defendants' records. A Class Member is any student who attended Defendant Douglas J. Institute, Inc.'s cosmetology programs in Michigan and who participated in the Alpha, Beta, Gamma, and/or Salon Life courses in 2012 through 2022.

What are the benefits? The Defendants have agreed to pay \$2,800,000 to a settlement fund to provide payment to eligible Class Members who timely submit a Claim Form; Class Counsel's fees and expenses; Settlement Administration Costs; and Service Awards for the named Plaintiffs. Payments to eligible Class Members are expected to be made shortly after October 2024. Payment details can be found on the Settlement website: www.CosmetologySchoolSettlement.com, and in the Settlement Agreement, available on the Settlement website.

What are my rights?

- **Do nothing:** If you do nothing, you will not receive payment from the net Settlement Amount and you will lose your right to sue the Defendants in court for these claims, including claims under the FLSA, in a separate action.
- **Participate in the Settlement:** To receive payment from this Settlement, you **must** file a Claim Form. You can file a claim online or by mail. Your claim must be received or postmarked by [Claim Deadline].
- **Exclude Yourself from the Settlement:** You **must** submit an Opt Out Form to exclude yourself from the Settlement Class and keep any right that you may have to sue the Defendants in court on these same claims. If you submit an Opt Out form, you **will not receive any payment** from this Settlement. All Opt Out Forms must be received or postmarked by [Opt Out Deadline].
- **Object to the Settlement:** Objections must be mailed to the Settlement Administrator and must be received or postmarked by [Objection Deadline].

Further information about filing a claim, excluding yourself, and/or objecting is available on the Settlement website, www.CosmetologySchoolSettlement.com.

The Final Approval Hearing will be held at [Courthouse], in Courtroom [Room], on [Hearing Date] at [Time] to determine approval of the Settlement, award of attorneys' fees and expenses plus Service Awards for the original Plaintiffs. The motion for fees and expenses will be posted on the Settlement website after they are filed. Write: *Eberline v. Douglas J. Holdings*, c/o Kroll Settlement Administration LLC, PO Box 225391, New York, NY 10150-5324 for more information.

This email is only a summary of the notice and settlement.

For more information, visit www.CostmetologySchoolSettlement.com