

If you are a **Dancer** and performed at **Seventh Veil, Royal Palace and/or Crazy Girls**, a class action lawsuit may affect your rights.

A court authorized this notice. This is not a solicitation from a lawyer.

- A Former Dancer has sued 7180 Sunset Blvd., Inc. and Three Group, Inc., alleging that dancers were misclassified as independent contractors when they were really employees.
- The Court has ruled that this lawsuit should be a class action on behalf of all dancers who signed an independent contractor agreement and who performed at either Seventh Veil and/or Royal Palace between March 23, 2013 and January 1, 2017; and/or who performed at Crazy Girls between March 23, 2013 and January 31, 2019.
- The Parties have entered into a settlement agreement that may affect you:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	<p>Stay in this lawsuit and settlement. Receive payment. Give up certain rights.</p> <p>If you received this by mail, then you are already listed as a Class Member. By doing nothing, so long as the Administrator has your Social Security Number*, you will receive money from the settlement, but you will not be able to sue on your own and will give up some rights.</p> <p>* If the Administrator does not have your Social Security Number, we have enclosed an IRS Form W9 for you to provide this information.</p>
ASK TO BE EXCLUDED	<p>Get out of this lawsuit and settlement. Get no benefits from the settlement. Keep rights.</p> <p>If you ask to be excluded, you won't receive any money from the settlement, but you keep any rights to sue separately or participate in another action regarding the same legal claims in this lawsuit.</p>

- Your options are explained in this notice. To be excluded, you must act on or before **June 5, 2019**.
- Any questions? Read on and visit www.seventhveilclassactionsettlement.com.

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BASIC INFORMATION

1. Why did I get this notice?

7180 Sunset Blvd., Inc., and/or Three Group, Inc. (the “Defendants”) records show that you executed an independent contractor agreement and performed at the Seventh Veil and/or Royal Palace (also known as Star Strip) night clubs during the period March 23, 2013 to January 1, 2017; or you performed at the Crazy Girls night club during the period March 23, 2013 through January 31, 2019. This notice explains that the Court has allowed, or “certified,” a class action lawsuit that may affect you. You have legal rights and options that you may exercise before the Court gives its final approval to a settlement reached by the parties. Judge Carolyn B. Kuhl of the Superior Court of the State of California for Los Angeles County is overseeing this Class Action. The lawsuit is known as *Hayes, v. 7180 Sunset Blvd., Inc. et al*, Civil Action No. BC597517.

2. What is this lawsuit about?

This lawsuit is about whether any of the Defendants misclassified dancers as independent contractors when they should have been treated as employees. Employees have various rights and benefits that are not provided to independent contractors including but not limited to minimum wage guarantee, rest and meal break requirements, and reimbursement of work-related expenses. See Question #5 below.

3. What is a class action and who is involved in this one?

In a class action lawsuit, one or more people called “Class Representatives” (in this case Jasmine Hayes) sue on behalf of themselves and other people who have similar claims. All these people together are a “Class” or “Class Members.” The individual who sued – and all the Class Members like her – are called the Plaintiffs. The companies they sued (in this case 7180 Sunset Blvd., Inc. and/or Three Group, Inc.) are called the Defendants. One court and one case will resolve the issues for everyone in the Class – except for those people who choose to exclude themselves from the Class (opt out).

4. Why is this lawsuit a class action?

The Court decided that this lawsuit can be a class action because it meets the requirements of California Code of Civil Procedure Section 382, which governs class actions. Specifically, the Court found that:

- There are more than 500 dancers who are or were employed by Defendants under independent contractor agreements;
- There are legal questions and facts that are common to each of them;
- Jasmine Hayes’ claims are typical of the claims of the rest of the Class;
- Ms. Hayes, and the lawyers representing the Class will fairly and adequately represent the interests of all of the people in the Class (including you.);
- The common legal questions and facts are more important than those affecting only individuals;
- This Class Action will be more efficient than having many individual lawsuits; and
- A class-wide settlement of this matter is better than other available methods of resolution.

THE CLAIMS IN THE LAWSUIT

5. What does the lawsuit complain about?

The Complaint alleges that the Defendants misclassified dancers as “independent contractors,” and that the dancers should have been classified as employees. Based on these allegations, the Complaint includes the following claims:

- (1) Failed to Pay Minimum Wage (Labor Code Sections 204, 510, 1194, 1199);
- (2) Made Illegal Deductions (Labor Code Sections 221, 224, 350(e), 402, 1197.1);
- (3) Illegally Took Tip Money (Labor Code Sections 350, 351);
- (4) Failed to Provide One-Half Hour Uninterrupted Meal Breaks (Labor Code Section 226.7);
- (5) Failed to Provide Rest Breaks of Ten (10) Minutes for Every Four Hours of Work (Cal. Code Regs., Title 8, Section 11070, Subd. (12)(A); Labor Code Section 226.7, Subd. (a))
- (6) Are Subject to Waiting Time Penalties (Labor Code Sections 201-203);
- (7) Failed to Reimburse Necessary Business Expenses (Including Uniform Costs.) (Labor Code Section 2802);
- (8) Engaged in Unfair Competition (Business & Professions Code Section 17200);
- (9) Failed to Provide Itemized Wage Statements (Labor Code Section 226); and
- (10) Violated Sections 201-203, 204 and/or 204b, 212, 218, 218.6, 221, 224, 226, 226.7, 350, 351, 353, 356, 402, 210, 510, 512, 558, 1174, 1194, 1197-1199, and 2802, of the California Labor Code; and Industrial Wage Commission (IWC) Orders, Specifically Including but Not Limited to IWC Orders 5 and 10.

6. How did Defendants Answer?

Defendants vehemently deny all liability for such claims. Defendants state they did not violate the law and have no liability for any of the claims asserted in the lawsuit; and they have asserted a number of factual and legal defenses to plaintiff’s claims. Nonetheless, after several meetings with a settlement judge, Plaintiff and Defendants reached a settlement.

7. What is the Settlement?

The parties have entered into a Joint Stipulation of Settlement, which has been given preliminary approval by the Court. The Settlement Class consists of all persons (who have not opted out) who signed an independent contractor agreement and who a) performed at the Seventh Veil and/or Royal Palace (also known as Star Strip) night clubs during the period March 23, 2013 to January 1, 2017; or b) performed at the Crazy Girls night club during the period March 23, 2013 through January 31, 2019. For further description of the settlement, see Questions #21-24.

8. What is Injunctive Relief?

As an important part of the Settlement, the Defendant Clubs have agreed to come into compliance with California Labor Laws by treating all dancers that they employ as employees. As a result, beginning in January 2019, dancers at any club operated by any Defendant will be entitled to the benefits and protections of the California Labor Laws, including the payment of a minimum wage, overtime benefits, the ability to take rest breaks and meal breaks and reimbursement for work related expenses. In addition, dancers will not be required to pay a “stage” or “house” or any other similar fee to Defendants as part of the terms of their employment. See also Question #21.

9. How will I receive money?

In addition to recognizing dancers as employees in conformance with California Law, Defendants will pay a cash Settlement Amount of **up to \$1,200,000.00** to resolve this lawsuit.

Defendants will pay settlement awards to each Participating Class Member, who has not previously released these claims and/or excluded herself from the settlement. **All settlement awards require a valid social security number and are subject to tax and tax withholdings.** If the Administrator does NOT have a social security number for you then a Form W-9 has been included with this notice. In order to be paid you must fill-in, sign and return the Form W-9 within sixty (60) days of this notice. **If you do not return the Form W-9 no check will be sent you and you will not be paid.**

After deduction of attorneys’ fees, costs, claims administration expenses, service payment to the Class Representative, tax withholdings, and any other charges or deductions, the Net Settlement Amount will be divided by the number of Participating Class Members. Each Participating Class Member will be entitled to receive an equal proportionate share of the Net Settlement Amount. See also Question #24.

WHO IS IN THE CLASS

You need to decide whether you are affected by this lawsuit.

10. Am I part of this Class?

Judge Kuhl has ruled that all individuals who signed an independent contractor agreement and a) performed at the Seventh Veil and/or Royal Palace (also known as Star Strip) night clubs during the period March 23, 2013 to January 1, 2017; and/or b) performed at the Crazy Girls night club during the period March 23, 2013 through January 31, 2019 are included in the Class.

You have received this notice because records indicate that you signed an independent contractor agreement and worked for Defendant(s) within the applicable period. This notice is to advise you how to participate in this settlement or how to be excluded from this settlement.

11. What if I do nothing?

If the address on this notice is correct, and the Administrator has a valid social security number (SSN) for you, you will be mailed a check. If so, you do not have to do anything. However, you will be bound by the settlement agreement, including the release of claims listed in the settlement agreement. If the Administrator does NOT have a social security number for you then a Form W-9 has been included with this notice. In order to be paid you must fill-in, sign and return the Form W-9 within sixty (60) days of this notice. **If you do not return the Form W-9 no check will be sent you and you will not be paid.**

12. What am I releasing?

If you do not exclude yourself from the settlement you will remain a part of the settlement and **you will be releasing important rights.**

As stated in the Settlement Agreement, the Settlement is intended to settle, as to all Participating Class Members who do not opt out (exclude themselves), all Class Action causes of action which arise from or relate to the alleged violations of the Labor Code by Defendants, including but not limited to failure to provide Class Members with the required minimum wage and overtime compensation; improperly requiring that dancers pay to Defendants a “Stage” or “House” or similar Fee; failure to reimburse necessary business expenses (including uniforms); violating California Labor Codes (including, without limitation, Sections 201-203, 212, 226(a), 226.7, 510, 512, 1194, 1197-1199, 2698-2699, 2802) and any of the wage orders; any alleged unfair or unlawful practice under Business & Professions Code section 17200, et seq.; and any other claims whatsoever alleged in the Class Action claims of the lawsuit (including without limitation all claims for restitution and other equitable relief, liquidated damages, punitive damages, waiting time and other individual penalties, and costs and attorneys’ fees) arising from each Class Member’s employment with Defendants within California, which Class Members or any of them now has or may have had against Defendants. The release will extend to predecessors, successors and assignees, as well as Defendants’ current, former and future parents, subsidiaries, affiliates, fiduciaries, associates, stockholders, divisions, representatives, lawyers, heirs, insurers, agents, partners, employees, assigns, subrogees, privies, officers, officials, directors, shareholders, attorneys, accountants, auditors, consultants, principals, benefits plans administrators, and trustees, and Defendants’ employee welfare benefit plans and deferred compensations plans under Section 401 of the Internal Revenue Code of 1954, as amended, and their trustees, administrators, and other fiduciaries, and all persons acting by, through, under, or in concert with them, or any of them.

If you signed an independent contractor agreement and a) performed at the Seventh Veil and/or Royal Palace (also known as Star Strip) night clubs during the period March 23, 2013 to January 1, 2017; or b) performed at the Crazy Girls night club during the period March 23, 2013 through January 31, 2019, you are included in the Class. And if you do not exclude yourself from the Settlement, you will be deemed to have entered into this release and to have released the above-described claims. In addition, you will be barred from ever suing Defendant(s) or joining in a suit with respect to the matters covered by this Settlement.

This release is not intended to, and does not, affect the rights of any Participating Class Member, who did not exclude themselves by filing a valid Opt Out (except the Named Plaintiff), to participate in any other class action or individual action against Defendant(s) that involve issues unrelated to the settled Claims.

13. I’m still not sure if I am included.

If you are still not sure whether you are included, you can get free help at www.seventhveilclassactionsettlement.com or by calling or writing to the lawyers in this case, at the phone number or addresses listed in Question #17 below.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class or to be excluded from the settlement, and you have to decide this now. (And file not later than June 5, 2019)

14. What rights am I giving up?

If you do not exclude yourself from the settlement you will receive its benefits, but you will be releasing substantial rights.

You will be giving up substantial rights including all Class Action claims that were raised in the Complaint (see Question #5) and many, if not all, of whatever other claims you may assert that may arise from your work relationship with the Defendants. (See Question #12.)

This release is not intended to, and does not, affect the rights of any Class Member, who did not exclude herself by filing a valid Opt Out (except the Named Plaintiff), to participate in any other class action or individual action against Defendant(s) that involve issues unrelated to the advice of the settled Claims. However, if you believe you have a claim that is NOT covered by the release you should seek counsel before making a final decision to opt out, or not.

15. Why would I ask to be excluded?

If you already have your own lawsuit or individual claim and want to continue with it, you need to ask to be excluded from the Class. If you exclude yourself from the Class – which also means to remove yourself from the Class and is sometimes called “opting-out” of the Class – you won’t get any money from this Settlement. However, you may then be able to sue or continue to sue the Defendants or any of them. If you exclude yourself, you will not be legally bound by the Settlement and the Court’s judgments in this Class Action.

If you start your own or join another lawsuit after you exclude yourself, you may have to hire and pay your own lawyer for that lawsuit, and you’ll have to prove your claims. If you do exclude yourself so you can start or continue your own lawsuit against Defendants, you should talk to your own lawyer soon, because your claims may be subject to a statute of limitations.

16. How do I ask the Court to exclude me from the Class?

Persons who do not wish to participate in the Settlement may exclude themselves (“opt out”) by requesting an exclusion. You can opt out of the Class by faxing or mailing a **written, signed** request for exclusion to the Claims Administrator at:

IN RE: Seventh Veil, Star Strip, Crazy Girls
Claims Administrator
c/o ILYM Group, Inc.
P.O. Box 2031
Tustin CA, 92781
Fax: 888-845-6185

A Request for Exclusion Form has been included with this Notice. You can sign and return this Form using the included envelope. You do not need to use this form. If you do not use this form your request for exclusion must contain the following information (a) your printed full name, (b) your full address, and (c) the following language: *“I want to be excluded from the Seventh Veil/Star Strip/Crazy Girls Class Action Settlement described in the Notice I received dated April 6, 2019. I understand that by requesting exclusion, I will not be eligible to receive any payment from the Settlement.”* **This request (whether the Form attached or one of your own making) must be signed by you.**

The exclusion request must be postmarked no later than June 5, 2019. If you submit an exclusion that is not postmarked by June 5, 2019, your exclusion will be rejected, and you will be bound by the Release and all other Settlement Terms. Do **not** use a postage meter as that may not result in a postmark appearing on the envelope containing your exclusion.

Any person who submits a complete and timely Request for Exclusion Form shall, upon its receipt, no longer be a member of the Settlement Class, shall be barred from participating in any portion of the Settlement, and shall receive no money from the Settlement. Any such person, at her own expense, may pursue any claim(s) she may have against Defendants.

17. Can I object to the Settlement?

You can object to the terms of the Settlement before final approval. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement unless you have submitted a valid and timely Request for Exclusion. To object, you must file a written objection and a notice of intention to appear at the Final Approval hearing currently set for June 28, 2019, at the Superior Court of California, 312 Spring Street, Los Angeles, California 90012, Honorable Carolyn B. Kuhl, Department 12, and send copies to the following:

Class Counsel

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Any written objections must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, date of birth, which Defendant(s) employed you and the dates of your employment. To be valid and effective, any objections to approval of the Settlement must be filed with the Clerk of the Court and delivered to each of the above listed attorneys no later than June 5, 2019. You should examine the Joint Settlement Agreement and Release (Paragraph #39) for instructions. A copy can be obtained at www.seventhveilclassactionsettlement.com.

DO NOT TELEPHONE THE COURT.

If you choose to file an objection to the terms of this Settlement, you may enter an appearance either *in propria persona* (meaning you choose to represent yourself) or through your own attorney. To do so, your attorney or you must file an Entry of Appearance with the Clerk of the Los Angeles Superior

Court, Central District, 312 Spring Street, Los Angeles, California 90012, and deliver copies to each of the attorneys listed above. Such Entry of Appearance must be filed with the Court and delivered to the above attorneys **no later than June 5, 2019**. You will then continue as a Settlement Class Member, although asserting your objection(s), either *in propria persona* or by and through your own attorney, and you will be solely responsible for the fees and costs of your own attorney.

THE LAWYERS REPRESENTING YOU

18. Do I have a lawyer in this case?

The Court ruled that the law firms of Nicholas & Tomasevic and Glick Law Group are qualified to represent you and all Class Members. Together the law firms are called “Class Counsel.” They are experienced in handling similar cases against other employers. More information about these law firms, their practices, and their lawyers’ experience is available at glicklawgroup.com or nicholaslaw.org.

19. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you will have to pay that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

20. How will the lawyers be paid?

Class Counsel has asked the Court for fees and expenses. You won’t have to pay these fees and expenses. If the Court grants Class Counsel’s request, the fees and expenses will be deducted from the Settlement Fund.

THE SETTLEMENT

The proposed Settlement is as follows:

21. What is the Total Settlement Value?

The Parties have valued the Settlement at \$1,600,000.⁰⁰. This includes a value of \$400,000.⁰⁰ attributed to the injunctive relief (Question #8). This amount represents a portion of the sums that will be paid to Entertainers as wages starting no later than February 2019. The balance of \$1,200,000.⁰⁰ will be paid as discussed below.

22. What else will be paid from the Settlement?

The Class Representative, Jasmine Hayes, will receive a service payment of up to \$15,000.⁰⁰. This payment is for her services as the Class Representative. It includes not only assisting Class Counsel with the bringing of this action but also being subject to discovery including a full day deposition.

The Administrator will be paid up to \$20,000.⁰⁰ for the Administration of the Settlement.

23. What will the attorneys receive?

Class Counsel shall receive attorneys’ fees to be set by the Court up to a maximum of Four Hundred Thousand Dollars (\$400,000.⁰⁰).

24. Will I get money from the Settlement, and how much will I get?

If the Administrator has both a valid address **and Social Security Number** for you, you will be sent a check. You do not need to do anything to get your check. If you received a Form W-9 with this Notice, the Administrator does not have your SSN and **you must sign and return the Form W-9** to be paid.

The amount of your check will be determined by the total number of Participating Class Members and the amount left from the \$1,200,000.⁰⁰ cash amount AFTER payment of the Class Representative, Administrator and the Attorneys. Each Participating Class Member is entitled to the same amount regardless of how long such person may or may not have worked and whether she performed at one or more clubs. The amount of the individual payment to Participating Class Members is estimated to be *approximately* [\$868.⁰⁰] each.

GETTING MORE INFORMATION

25. Are more details available?

Visit the website, www.seventhveilclassactionsettlement.com, where you will find the Court's Order of Preliminary Approval. You may also speak to one of the lawyers by calling 1-619-325-0492, or by writing to: Seventh Veil, Star Strip, Crazy Girls Claims Administrator, c/o ILYM Group, P.O. Box 2031, Tustin CA, 92781.