UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF GEORGIA ATLANTA DIVISION

In re:

WELLMADE FLOOR COVERINGS INTERNATIONAL, INC., et al.,

Debtors.

Chapter 11

Case No. 25-58764

(Jointly Administered)

<u>VERIFIED STATEMENT OF LABOR PLAINTIFFS</u> <u>PURSUANT TO RULE 2019 OF FEDERAL RULES OF BANKRUPTCY PROCEDURE</u>

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure ("<u>FRBP</u>"), a group of certain labor plaintiffs (collectively, the "<u>Labor Plaintiffs</u>") as identified on <u>Exhibit 1</u> hereto, and Aaron Halegua, PLLC ("<u>AH</u>") and Radford Scott LLP ("<u>RS</u>") and Levene, Neale, Bender, Yoo & Golubchik L.L.P. ("<u>LNBYG</u>", and with AH and RS, collectively, the "<u>Firms</u>") hereby respectfully submit this verified statement (the "<u>Verified Statement</u>") and in support hereof state as follows:

1. Each of the Labor Plaintiffs (as comprised from time to time and as set forth on Exhibit 1 hereto) retained AH and RS to represent each of them as counsel in connection with various claims as set forth in the complaint (the "Complaint"), which may be amended from time to time, a copy of which is attached as Exhibit 2 hereto, against Wellmade Industries MFR. N.A. LLC and Wellmade Floor Coverings International, Inc. (together, "Debtors" or "Wellmade") as well as against Zhu Chen (a/k/a/ George Chen), Jiayi Chen (a/k/a Morgan Chen), Jian Jun Lu, and Ming Chen (a/k/a/ Allen Chen) (together, the "Individual Defendants") filed in the U.S. District Court for the Northern District of Georgia (the "District Court") on May 27, 2025, and bearing case number 4:25-cv-00134-WMR.

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- 2. The names, addresses, nature and amount of each disclosable economic interest held by the Labor Plaintiffs in relation to the Debtors, and dates of joining this group of Labor Plaintiffs represented by AH and RS is set forth on **Exhibit 1** hereto. The information set forth on **Exhibit 1** is based on information provided to AH and RS by the Labor Plaintiffs and is intended only to comply with FRBP 2019 and not for any other purpose. The Labor Plaintiffs also intend to each file a Proof of Claim prior to the bar date.
- 3. On August 4, 2025, both of the Debtors each filed voluntary Chapter 11 bankruptcy petitions commencing the above-captioned, jointly administered bankruptcy cases (the "Cases"). On or about or about September 22, 2025, AH and RS retained LNBYG to assist in the representation of the Labor Plaintiffs on bankruptcy issues in the Debtors' bankruptcy Cases.
- 4. According to the information provided by the Labor Plaintiffs to AH and RS, the Labor Plaintiffs worked at the Debtors' factory in Georgia at various dates up to and including 2025 and have claims against the Debtors on grounds similar to those set forth in the Complaint.
- 5. A true and correct copy of an exemplar engagement letter between AH, RS, and the Labor Plaintiffs is attached as <u>Exhibit 3</u> hereto. A true and correct copy of the engagement letter between LNBYG, on the one hand, and AH and RS, on the other hand, is attached as <u>Exhibit 4</u> hereto (although LNBYG was engaged on or about September 22, 2025, the retainer agreement was not signed until on or about October 24, 2025).
- 6. The Firms do not represent or purport to represent any other entities in connection with the Debtors' bankruptcy Cases except for the Labor Plaintiffs listed on **Exhibit 1** hereto, and do not undertake to represent the interests of, and are not fiduciaries for, any creditor, party in interest, or other entity that has not signed a retention agreement with the Firms. Each of the Labor Plaintiffs does not represent the interests of, nor act as a fiduciary for, any person or entity other

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than himself or herself in connection with the Debtors' bankruptcy Cases. <u>However</u>, the Complaint was filed as a collective action lawsuit for the FLSA cause of action and as a class action lawsuit for the other causes of action. The Labor Plaintiffs' intention to have a class and an FLSA collective certified in the District Court was stayed by the filing of this bankruptcy proceeding. Accordingly, the Labor Plaintiffs still intend to either move this Court to certify a class and FLSA collective (or multiple classes and collectives), or to move to lift the stay in order to request the District Court to certify those classes and collectives. If a collective or class is certified, the statements in this paragraph may be amended, and, furthermore, if a collective or class is certified, the exception of FRBP 2019(b)(2)(C) may apply.

- 7. Upon information and belief formed after due inquiry, neither the Firms nor the Labor Plaintiffs hold any disclosable economic interests (as that term is defined in FRBP 2019) in relation to the Debtors other than the claims set forth in the Complaint, which may be amended from time to time, and as set forth in this Verified Statement.
- 8. Nothing contained in this Verified Statement is intended or shall be construed (a) as consent to the jurisdiction of the Bankruptcy Court over any matter, (b) as an admission with respect to any fact or legal theory, (c) as an acknowledgment that these bankruptcy Cases were appropriately or lawfully commenced, (d) as a waiver or release of the rights of the Labor Plaintiffs to have any final order entered by, or other exercise of judicial power of the United States performed by, an Article III court; (e) as a waiver of a right to a jury trial; (f) as a waiver or release of the rights of any of the Labor Plaintiffs to have any and all final orders in any and all non-core matters entered only after de novo review by a United States District Judge; (g) as an election of remedies; (h) as a waiver or release of the right to move to withdraw the reference with respect to any matter or proceeding that may be commenced in these bankruptcy Cases against or otherwise

involving any of the Labor Plaintiffs; (i) as a waiver of any right to seek to proceed as a collective action or class action either in the Cases or in any other forum; or (j) as a waiver or release of any rights, claims, actions, or defenses to which the Labor Plaintiffs are or may be entitled, in law or in equity, under any agreement, any constitution, or otherwise, with all such rights, claims, actions, and defenses being expressly reserved.

- 9. The undersigned verify under the penalty of perjury that the foregoing is true and correct to the best of their knowledge, information, and belief.
- 10. The Labor Plaintiffs, through their undersigned counsel, and the Firms reserve the right to amend or supplement this Verified Statement in accordance with the requirements of FRBP 2019 at any time in the future.

Respectfully submitted this day: October 24, 2025.

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Counsel for Labor Plaintiffs

Exhibit 1 Labor Plaintiffs

Name and Address*	Date Retained by AH and RS	Nature of claim	Economic Interest
Compon Hon	May 6 2025	Labor claim similar to	Unliquidated labor claim to
Cangen Han	May 6, 2025	exemplar in Complaint	be determined by jury
Vuoona Liu	May 7, 2025	Labor claim similar to	Unliquidated labor claim to
Yucong Liu		exemplar in Complaint	be determined by jury
Yixiang Zhang	May 7, 2025	Labor claim similar to	Unliquidated labor claim to
Tixialig Zilalig		exemplar in Complaint	be determined by jury
Nan Liu	May 8, 2025	Labor claim similar to	Unliquidated labor claim to
Naii Liu	May 8, 2023	exemplar in Complaint	be determined by jury
Shuai 7hana	May 0, 2025	Labor claim similar to	Unliquidated labor claim to
Shuai Zhang	May 9, 2025	exemplar in Complaint	be determined by jury
Yao Yan	May 20, 2025	Labor claim similar to	Unliquidated labor claim to
Tao Tan	May 20, 2023	exemplar in Complaint	be determined by jury
Haitao Sun	May 5, 2025	Labor claim similar to	Unliquidated labor claim to
Hallao Suli	Way 5, 2025	exemplar in Complaint	be determined by jury
Lionahana Vin	July 21 2025	Labor claim similar to	Unliquidated labor claim to
Jiansheng Yin	July 31, 2025	exemplar in Complaint	be determined by jury
Shengxiang Yu	August 1, 2025	Labor claim similar to	Unliquidated labor claim to
		exemplar in Complaint	be determined by jury
Wen Chen	August 20, 2025	Labor claim similar to	Unliquidated labor claim to
Well Clien	August 20, 2023	exemplar in Complaint	be determined by jury
Shengda Yu	August 20, 2025	Labor claim similar to	be determined by jury Unliquidated labor claim to be determined by jury Unliquidated labor claim to
Silcingua Tu	August 20, 2023	exemplar in Complaint	
Shun Yu	August 29, 2025	Labor claim similar to	Unliquidated labor claim to be determined by jury
Siluii 1u	August 29, 2023	exemplar in Complaint	
Shunkui Wang	September 9,	Labor claim similar to	Unliquidated labor claim to
Shunkui wang	2025	exemplar in Complaint	be determined by jury
Jinchao Si	September 9,	Labor claim similar to	Unliquidated labor claim to
Jilichao Si	2025	exemplar in Complaint	be determined by jury
lingen Vang	October 6, 2025	Labor claim similar to	Unliquidated labor claim to
Jiagen Yang	October 6, 2023	exemplar in Complaint	be determined by jury
Marianela Pina	September 29,	Labor claim similar to	Unliquidated labor claim to
Yaguari	2025	exemplar in Complaint	be determined by jury
Yorman Ojeda	October 1, 2025	Labor claim similar to	<u> </u>
Herrera		exemplar in Complaint	be determined by jury
Eglis Almarza	September 29,	Labor claim similar to	Unliquidated labor claim to
Diaz	2025	exemplar in Complaint	be determined by jury

^{*}Each of the Labor Claimants listed herein may be contacted through their attorneys: Aaron Halegua, PLLC, 524 Broadway, 11th Floor, New York, NY, 10012, and Radford Scott LLP, 125 Clairemont Avenue, Suite 380, Decatur, Georgia, 30030.

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF GEORGIA ROME DIVISION

YU CONG LIU, YIXIANG ZHANG, and CAN GEN HAN, individually and on behalf of all others similarly situated,	Civil Action No.
Plaintiffs,	;
v.	Class and Collective Action Complaint
WELLMADE INDUSTRIES MFR. N.A. LLC;	! * !
WELLMADE FLOOR COVERINGS	ı
INTERNATIONAL, INC.; ZHU CHEN	JURY DEMAND
a/k/a GEORGE CHEN; JIAYI CHEN a/k/a	I
MORGAN CHEN; JIAN JUN LU; and MING	!
CHEN a/k/a ALLEN CHEN,	! !
	ı
Defendants.	I

CLASS AND COLLECTIVE ACTION COMPLAINT

RADFORD SCOTT LLP 125 Clairemont Ave., Suite 380 Decatur, Georgia 30030 AARON HALEGUA, PLLC 524 Broadway, 11th Floor New York, New York 10012

Attorneys for Plaintiffs

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I. INTRODUCTION

- 1. Plaintiffs are a group of Chinese nationals who were brought to work at a flooring manufacturing factory in Cartersville, Georgia (the "Cartersville Facility"), where they and dozens of other immigrant workers were exploited, underpaid, and subjected to forced labor.
- 2. Brothers Zhu "George" Chen and Ming "Allen" Chen own and operate Oregon-based Wellmade Floor Coverings International, Inc. ("Wellmade International") and its Georgia-based affiliate, Wellmade Industries MFR. N.A. LLC ("Wellmade NA") (collectively, "the Wellmade Defendants"). Defendant Allen Chen's son, Jiayi "Morgan" Chen, holds an executive role with the Wellmade Defendants. Jian Jun Lu, a Vice President/General Manager, also played a central role in running Wellmade NA's operations. These individuals and entities are collectively referred to herein as "Defendants."
- 3. Plaintiffs were recruited in China for supposed supervisory or trainer roles with promises of free housing and medical care, good working conditions, and help obtaining long-term visas. However, after arriving in the United States, they faced a very different reality.
- 4. Once in Georgia, Plaintiffs and similarly situated workers were expected to work at the Cartersville Facility six days each week for twelve hours each day for a fixed salary. If they worked more than twelve hours per day, there was no extra pay. When Defendant George Chen compelled Plaintiffs to perform

chores at his house on their day off, they received no extra pay. If forced to work an additional twelve-hour shift on their rest day, they only received a small additional payment. Despite regularly working over seventy-two hours per week, Plaintiffs never received the overtime premiums required under U.S. law for all hours beyond forty. Moreover, despite their promises of free housing, Defendants made deductions from Plaintiffs' wages for rent and utilities. Defendants also subjected Plaintiffs to unsafe working conditions and provided inadequate personal protective equipment ("PPE"), resulting in Plaintiffs suffering burns, respiratory problems from the dust and debris in the factory, and other injuries.

5. While Plaintiffs all considered leaving this abusive employment environment, Defendants used a series of threats and other tactics to keep them working. Defendants confiscated Plaintiffs' passports after they arrived in the United States and denied requests that they be returned. Defendants instructed Plaintiffs not to leave the factory or their homes. Defendants threatened that if Plaintiffs did not work the full length of their contracts, then they would be required to pay a large financial penalty—up to \$30,000—to Defendants. Defendants also intimidated Plaintiffs through threats of physical harm, including by making Plaintiffs aware that Defendants George and Morgan owned and carried handguns. Plaintiffs were only liberated from this forced labor situation when they either sneaked away in the middle of the night or when state and federal law enforcement agents raided the Cartersville Facility.

6. Based on Defendants' exploitative and illegal conduct, Plaintiffs, on behalf of themselves and similarly situated workers, now bring claims under the Trafficking Victims Protection Act ("TVPA"), the Fair Labor Standards Act ("FLSA"), and the Georgia Racketeer Influenced and Corrupt Organizations Act ("RICO"), as well as claims for unjust enrichment and *quantum meruit*.

II. JURISDICTION AND VENUE

- 7. This Court has subject matter jurisdiction over the federal claims in this case pursuant to 28 U.S.C. § 1331.
- 8. Pursuant to 28 U.S.C. § 1367, the Court has supplemental jurisdiction over Plaintiffs' state law claims because they are part of the same case or controversy as their federal claims.
- 9. The Court has personal jurisdiction over Defendants because they reside in and/or conduct systematic and continuous activity in this District, including activity giving rise to Plaintiffs' and other similarly situated workers' causes of action.
- 10. Venue is proper in this district and division, as all Defendants are residents of this state and district and/or the wrongs giving rise to Plaintiffs' claims took place herein.

III. PARTIES

A. Plaintiffs

- 11. Plaintiff Yu Cong Liu arrived in the United States from China and began working for Defendants at the Cartersville Facility on or around March 1, 2022, and continued working there until on or around August 21, 2024.
 - 12. Plaintiff Liu arrived on a B-1 visa.
- 13. Plaintiff Liu's duties at the Cartersville Facility primarily involved electrician work, machine repair, and machine maintenance.
- 14. Plaintiff Liu currently resides in the Rome Division of the Northern District of Georgia.
- 15. Plaintiff Yixiang Zhang arrived in the United States from China and began working for Defendants at the Cartersville Facility in or around November 2023, and continued working there until March 26, 2025.
 - 16. Plaintiff Zhang arrived on an L-1 visa.
- 17. Plaintiff Zhang's duties at the Cartersville Facility primarily involved working as a machine operator.
- 18. Plaintiff Zhang currently resides in the Rome Division of the Northern District of Georgia.
- 19. Plaintiff Can Gen Han arrived in the United States from China and began working for Defendants at the Cartersville Facility on or around January 18, 2024, and continued working there until March 26, 2025.

- 20. Plaintiff Han arrived on an L-1 visa.
- 21. Plaintiff Han's duties at the Cartersville Facility primarily involved working as a machine operator.
- 22. Plaintiff Han currently resides in the Rome Division of the Northern District of Georgia.
- 23. At all relevant times, each Plaintiff was a "person" with standing to sue within the meaning of the Georgia Racketeer Influenced and Corrupt Organizations Act ("RICO"), O.C.G.A. § 16-14-6(b).
- 24. At all relevant times, each Plaintiff was an "individual who [was] a victim" of a violation of Article 18, Chapter 77 of the United States Code and therefore has standing to sue under the civil remedies provision of the Trafficking Victims Protection Act ("TVPA"), 18 U.S.C. § 1595.
- 25. At all relevant times, each Plaintiff and each individual who files a written consent, pursuant to 29 U.S.C. § 216(b), to become a party for claims under the Fair Labor Standards Act ("FLSA") was an "employee" of Defendants within the meaning of the FLSA, 29 U.S.C. § 203(e)(1).

B. Defendants

26. Defendant Wellmade International is a domestic business corporation organized under the laws of Oregon with its principal place of business at 19150 SW 125th Ct., Tualatin, OR 97062.

- 27. Defendant Wellmade International may be served with the summons and complaint through its Registered Agent Ming Chen at 19150 SW 125th Ct., Tualatin, OR 97062.
- 28. Defendant Wellmade International regularly conducts business in the Rome Division of the Northern District of Georgia.
- 29. Defendant Wellmade NA is a limited liability company organized under the laws of Georgia with its principal place of business at 1 Wellmade Drive NE, Cartersville, GA 30121.
- 30. Defendant Wellmade NA may be served with the summons and complaint through its Registered Agent Zhu Chen at 1 Wellmade Drive NE, Cartersville, GA 30121.
- 31. Defendant Wellmade NA regularly conducts business in the Rome Division of the Northern District of Georgia.
- 32. Defendant Wellmade International is the parent company of Defendant Wellmade NA.
- 33. Plaintiffs will refer to Defendants Wellmade International and Wellmade NA collectively as the "Wellmade Defendants" in this Complaint.
- 34. Defendant Zhu Chen is one of the owners and operators of Defendants Wellmade International and Wellmade NA. He is also the Secretary of Defendant Wellmade International.
 - 35. Defendant Zhu Chen is known as George Chen in the United States.

- 36. Plaintiffs will refer to Zhu Chen a/k/a George Chen as "George" in this Complaint.
- 37. Defendant George resides and regularly conducts business in the Rome Division of the Northern District of Georgia .
- 38. Defendant George was responsible for recruiting and hiring Plaintiffs to work at the Cartersville Facility, and he directly communicated with and interviewed many prospective employees while they were still in China.
- 39. Defendant George executed immigration forms on behalf of the Wellmade Defendants related to obtaining visas for employees from China to come work at the Cartersville Facility.
- 40. Defendant George frequently told employees at the Cartersville Facility that he could fire anyone he wanted.
- 41. On information and belief, Defendant George also set the rate of pay for Plaintiffs and other employees.
- 42. At the Cartersville Facility, Defendant George directed the day-to-day work of employees. He regularly issued reprimands using threatening language or used other aggressive disciplinary measures when he was dissatisfied with employees' performance.
- 43. When employees called out sick or refused overtime assignments, Defendant George contacted them directly to insist that they report to work.

- 44. Defendant George regularly instructed employees, including Plaintiffs Liu and Han, to perform personal tasks for him at his residence, such as: building a fence around the property, installing fitness equipment in the basesment, installing surveillance cameras, putting down flooring in the house, washing his car, and constructing dog cages. Defendants did not pay Plaintiffs any additional compensation for this work; although Defendant George occasionally gave them a few cartons of cigarettes.
- 45. Defendant George made major decisions about Wellmade NA's operations and expenditures. For example, he decided in or around September 2024 that Wellmade NA would cease managing transportation of employees between company housing and the Cartersville Facility, and instructed certain employees to purchase vehicles with their own money and use those vehicles to help drive their coworkers to work.
- 46. Defendant Jiayi Chen was an executive and manager for the Wellmade Defendants.
- 47. Defendant Jiayi Chen is Defendant George's nephew, and the two shared the same residence in Cartersville.
 - 48. Defendant Jiayi Chen is known as Morgan Chen in the United States.
- 49. Plaintiffs will refer to Jiayi Chen a/k/a Morgan Chen as "Morgan" in this Complaint.

- 50. Defendant Morgan resides and regularly conducts business in the Rome Division of the Northern District of Georgia.
- 51. Defendant Morgan often met employees, including Plaintiffs, at the airport when they arrived from China, took possession of their passports, and transported them to company housing.
- 52. Defendant Morgan contacted employees, including Plaintiff Liu, on their days off to order them to report to work, and would drive to their houses to pick them up to ensure that they came in for these overtime hours.
- 53. Defendant Jian Jun Lu was the General Manager at Wellmade NA's Cartersville Facility.
- 54. Defendant Lu resides and/or regularly conducts business in the Rome Division of the Northern District of Georgia.
- 55. Defendant Lu was the day-to-day supervisor of Plaintiffs at the Cartersville Facility, where he organized the assignment of work and frequently criticized Plaintiffs' work.
- 56. Defendant Lu participated in demanding that employees surrender their passports to the Wellmade Defendants.
- 57. When Plaintiffs were injured on the factory floor or became sick, they would report this first to Defendant Lu, who would either order them to return to work or grant them only a short time to recover.

- 58. On information and belief, Defendant Lu seldom permitted employees to receive medical treatment, regardless of how severe the injury or illness.
- 59. Defendant Lu conducted performance evaluations of employees that impacted their compensation.
- 60. Defendant Lu reassigned employees to tasks outside their regular job duties, such as directing them to perform repairs on dangerous machines that lacked proper safety guards and to clean up dust around the factory.
- 61. Defendant Ming Chen is a joint owner of Wellmade International and Wellmade NA. He is also President of Wellmade International.
 - 62. Defendant Ming Chen is known as Allen Chen in the United States.
- 63. Plaintiffs will refer to Ming Chen a/k/a/ Allen Chen as "Allen" in this Complaint.
- 64. Defendant Allen is Defendant George's brother and Defendant Morgan's father.
- 65. Defendant Allen oversaw all aspects of those companies and their operations with Defendant George.
- 66. Defendant Allen resides and/or regularly conducts business in the Rome Division of the Northern District of Georgia.
- 67. Defendant Allen was regularly present at the Cartersville Facility, where he would oversee operations and meet with customers or clients.

- 68. Defendant Allen participated in group chats on WeChat for Cartersville Facility managers and supervisors, including conversations about serious injuries at the factory not being reported.
- 69. When Defendant Allen was at the Cartersville Facility, he directed maintenance technicians, including Plaintiff Liu, to fix certain machines.
- 70. When Defendant George returned to China or was otherwise away, Defendant Allen would be in charge at the Cartersville Facility.
- 71. On information and belief, Defendant Allen also assumed primary responsibility for the Cartersville Facility following Defendant George's arrest.
- 72. At all relevant times, each Defendant was a "person" within the meaning of RICO, in that each Defendant is an individual or an entity capable of holding a legal or beneficial interest in property. O.C.G.A. § 16-14-4.
- 73. At all relevant times, Defendants suffered or permitted Plaintiffs to work within the meaning of 29 U.S.C. §203(e)(l).
- 74. At all relevant times, Plaintiffs were employed by Defendants within the meaning of 29 U.S.C. §203(g).
- 75. At all relevant times, each Defendant was an "employer" of Plaintiffs, either individually or as a joint employer, within the meaning of the FLSA, 29 U.S.C. § 203(d).

- 76. Defendants directly or indirectly hired Plaintiffs, controlled their work schedules and conditions of employment, and determined the rate and payment of wages.
- 77. At all relevant times, Defendants comprised an integrated enterprise within the meaning of 29 U.S.C. §203(r)(1).
- 78. At all relevant times, Defendants were an enterprise engaged in commerce or in the production of goods for commerce within the meaning of 29 U.S.C. §203(s)(l).
- 79. Defendants' employees routinely handled and worked on construction materials that were imported to Georgia from other countries—including materials from China, such as many of the machines in the factory and chemicals applied to the Wellmade Defendants' products.
- 80. Defendants had a gross volume of sales made or business done of not less than \$500,000 per year during the relevant period. For instance, a visa application submitted by the Wellmade Defendants in 2024 listed their revenue as over \$100 million.
- 81. Defendants were in a "venture" together within the meaning of the TVPA, 18 U.S.C. § 1595(a).
- 82. At all relevant times, each Defendant was a "perpetrator" of one or more violations of the TVPA, and each Defendant knowingly benefited, financially or by receiving anything of value, from participation in the venture they knew or

should have known had engaged in violations of 18 U.S.C. §§ 1589, 1590, 1592, and 1597(a)(3).

IV. THE RICO ENTERPRISES AND CONTROL OF PROPERTY

- 83. All Defendants are an "enterprise" within the meaning of RICO ("RICO Enterpise I") in that they are an association or group of individuals associated in fact though not a legal enterprise. O.C.G.A. § 16-14-3(3).
 - 84. All Defendants are associated with RICO Enterprise I.
- 85. Defendant Wellmade International, the Wellmade Defendants' immigration attorneys, and U.S. consular officials are an "enterprise" within the meaning of RICO ("RICO Enterpise II") in that they are an association or group of individuals associated in fact though not a legal enterprise. O.C.G.A. § 16-14-3(3).
 - 86. All Defendants are associated with RICO Enterprise II.
- 87. Defendant Wellmade International is an "enterprise" within the meaning of RICO ("RICO Enterprise III") in that it is a corporation. O.C.G.A. § 16-14-3(3).
- 88. Defendant Wellmade NA, Defendant George, Defendant Morgan, Defendant Lu, and Defendant Allen were associated with RICO Enterprise III.
- 89. Defendant George, Defendant Morgan, Defendant Lu, and Defendant Allen are an "enterprise" within the meaning of RICO ("RICO Enterprise IV") in that they are an association or group of individuals associated in fact though not a legal enterprise. O.C.G.A. § 16-14-3(3).

- 90. Defendant George, Defendant Morgan, Defendant Lu, and Defendant Allen are associated with RICO Enterprise IV.
- 91. The members of RICO Enterprises I, II, III, and IV (collectively, "the RICO Enterprises"), respectively, associated with each other for the common purpose of recruiting and employing foreign nationals for employment at the Cartersville Facility.
- 92. In the alternative, the members of the RICO Enterprises, respectively, associated with each other for the common purpose of manufacturing flooring products at the Cartersville Facility.
- 93. All Defendants, through the pattern of racketeering activity set forth herein or proceeds derived therefrom, acquired or maintained interests in or control of real property or personal property, including money. O.C.G.A. § 16-14-4(a). At a minimum, all Defendants acquired significant sums of money through the pattern of racketeering activity.

V. FACTS

94. The acts and omissions described herein were committed by the indicated Defendant or Defendants through their respective RICO Enterprises.

A. Recruitment in China

95. Plaintiffs were recruited from China to work at the Cartersville Facility.

- 96. Plaintiff Han, Plaintiff Zhang, and others were instructed to apply for an L-1 visa, which is designed for intracompany transfers.
- 97. An L-1 visa applicant: (a) must be a current executive or manager at the petitioning company's affiliated foreign office, and (b) must have worked for the petitioning company for one continuous year within the three years immediately preceding the applicant's admission to the United States.
- 98. At the time of their application, none of the Plaintiffs who applied for L-1 visas were employed or recently employed by a Wellmade-affiliated entity.
- 99. Defendants fabricated elements of Plaintiffs' visa applications to make it appear that Plaintiffs were qualified for L-1 visas.
- 100. Defendants coached Plaintiffs prior to their consular interviews to lie if asked about whether they had previously worked for an affiliate of Wellmade NA, or were currently working for an affiliate of Wellmade NA, and for how long.
- 101. Plaintiff Liu and other employees were instructed to apply for a B-1 visa, which is intended for short-term business visits or tourism.
- 102. Defendants told employees instructed to apply for B-1/B-2 visas that Defendants would get them a proper, long-term work visa after they arrived in the United States. However, this did not happen.
- 103. Defendants made Plaintiffs execute various Chinese language documents in China before going to the United States.

- 104. The documents executed in China state, among other things, that Plaintiffs must cooperate with and obey the company's decisions.
- 105. Plaintiff Liu's document prohibits him from participating in any labor strikes while in the United States and indicates he would be terminated and liable for any damages to the company if he did participate in a strike.
- 106. Plaintiff Liu's document mandates that he and his family must love their home country and that he must not join any social organizations or discuss any political issues while abroad. If this is violated, the document says Plaintiff Liu would be reported to the Chinese Embassy.
- 107. Plaintiff Liu's document prohibits him from leaving the company's working area or housing area without permission of the company.
- 108. Plaintiff Liu's document provides that if Plaintiff Liu is found to disobey the company's orders, he would be terminated and need to pay the Wellmade Defendants up to 30,000 Chinese yuan (more than \$4,000).
- 109. Plaintiff Liu's document contains a liquidated damages clause stating that if he stopped working for the Wellmade Defendants before the end of the first year, he would be reported to the local authorities, deported back to China, and forced to repay thirty percent of his annual salary.
- 110. Plaintiffs Han and Zhang were required to sign documents (the "L Visa Documents") with many provisions similar to those in Plaintiff Liu's documents.

- 111. The L Visa Documents require that Plaintiffs commit to work for the Wellmade Defendants for a term of five years.
- 112. The L Visa Documents contain a liquidated damages clause providing that if the employee does not complete the five-year employment term, the employee would need to pay \$30,000 to the Defendants for their "losses."
- 113. The L Visa Documents do not provide any further explanation or calculation for this \$30,000 penalty.

B. Employment Documents in the United States

- 114. Defendants required Plaintiffs to sign additional documents upon their arrival in the United States.
- 115. Plaintiff Liu and, upon information and belief, other B-1/B-2 visa holders, were required to sign a document stating that they would be deported back to China at their own cost if they disobeyed the company's rules, and that if the company wanted to extend the length of their work terms in the United States, they must comply.
- 116. Plaintiffs who obtained L-1 visas were required to sign English language documents when they arrived in the United States.
- 117. Defendants did not explain the contents of these English language documents to Plaintiffs at any time.
- 118. Defendants did not provide Plaintiffs with a copy of the English language documents that Plaintiffs were required to sign.

119. Defendants knew Plaintiffs were not aware of their legal rights in the United States, made no effort to inform them of these rights, and used Plaintiffs' lack of understanding of their rights to coerce their continuing labor.

C. Confiscated Passports

- 120. Defendants confiscated Plaintiffs' passports after they arrived in the United States.
- 121. Plaintiff Liu asked Defendants to return his passport on at least two occasions during his employment, but was refused each time.
- 122. Defendants did not return Plaintiffs' passports until in or around May 2024. Upon information and belief, Defendants only returned the passports because another Chinese employee filed a police report regarding the confiscated passports.

D. Housing, Transportation, and Restrictions on Movement

- 123. Plaintiffs were crammed into housing owned and controlled by Defendants.
- 124. Defendants often put three or four mattresses in each bedroom, but some workers were still required to sleep in the kitchen or garage due to overcrowding.
- 125. The houses were barely furnished and often lacked tables or chairs where the workers could sit and eat.

126. The houses were in a state of complete disrepair, with mold present, regular issues with leaks, and regular air conditioning outages.

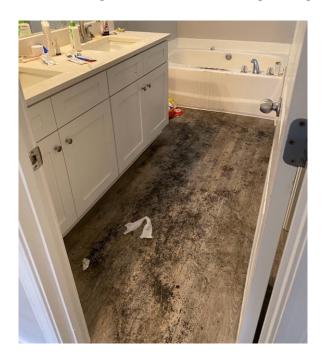


Figure 1: Black mold in the bathroom of Wellmade's worker housing

- 127. Due to the number of workers sharing each home, workers would often need to wait in line to use the kitchen to prepare their dinner, after already having completed an exhausting twelve-hour shift.
- 128. Until approximately September 2024, Defendants arranged transportation for Plaintiffs and other employees to and from the factory in vans owned or rented by Defendants.
- 129. If an employee missed the van operated by Defendants on their way home from the factory because they were forced to do extra work beyond their shift, the employee had to either arrange for their own transportation at their own expense or walk back to their housing—which could take as long as an hour.

- 130. One of these vans was designed to seat a maximum of seven passengers. However, Defendants frequently transported up to a dozen workers at once in the van, and there were not enough seatbelts for each worker.
- 131. Defendants also sometimes directed employees who did not have a valid driver's license to drive the van.
- 132. Defendants instructed certain employees to drive the van but did not give them any extra compensation for doing so.
- 133. Though Defendants had promised they would provide Plaintiffs free transportation between their housing and the Cartersville Facility, beginning in or around September 2024, Defendants insisted that Plaintiffs drive themselves to the factory or otherwise arrange and pay for their own transportation.
- 134. Defendants did not permit Plaintiffs to leave the Cartersville Facility during working hours, including during their lunch breaks.
- 135. Defendant George instructed employees, through WeChat and personal conversations, not to leave their housing during their non-work hours.
- 136. Defendant Morgan told employees via WeChat that they should not leave their housing during non-work hours.
- 137. The Chinese language document that Defendants required Plaintiff Liu to sign in China forbade him from leaving his housing without Defendants' permission.

E. Unsafe Conditions, Injuries, and Lack of Medical Care

- 138. Plaintiffs were subjected to unsafe working conditions at the Cartersville Facility.
- 139. Many employees were put to work at the Cartersville Facility before they received the required health and safety training.
- 140. When employees needed to obtain or replace PPE, Defendants frequently refused their requests, and sometimes reprimanded employees for asking for proper PPE.
- 141. Contrary to Defendants' promises to do so, Defendants did not purchase medical insurance in the United States for Plaintiffs.
- 142. Between September 2022 and October 2023, the Cartersville Facility was inspected by the U.S. Department of Labor's Occupational Safety and Health Administration ("OSHA") on three occasions in response to worker complaints. Defendants received twelve citations, including for ten "serious" violations, and were assessed \$95,528.00 in fines. The cited workplace hazards included a failure to provide fire extinguishers, electrical shock hazards, amputation hazards, and failure to protect employees from severe noise exposure with the potential to cause hearing loss.
- 143. During the time that Plaintiffs worked for Defendants at the Cartersville Facility, certain Plaintiffs and their coworkers suffered serious injuries due to a lack of PPE and Defendants' failure to follow safety protocols.

- 144. In 2022, Plaintiff Liu was severely injured when a heavy floorboard was dropped onto his toe. His toe became badly swollen, and the nail eventually fell off. Only a day or two later, Defendant George began messaging Plaintiff Liu ordering Plaintiff Liu to return to work, which Plaintiff Liu ultimately did even though he could barely walk and was in significant pain. Plaintiff Liu did not seek hospital treatment for this injury because he had no insurance and did not have the funds to pay for a hospital visit himself. Defendants did not inform Plaintiff Liu of his rights under Georgia workers' compensation law.
- 145. On one occasion, an employee of Defendants fell ill, collapsed on the lawn outside the Cartersville Facility, and was foaming at the mouth. When Defendant George was made aware of this, he did not take any action to help the ill employee. In fact, he reprimanded another employee for saying she wanted to drive the ill employee to the hospital rather than attend a meeting. Defendant George also initially refused to reimburse that employee, who paid for the ill employee's hospital bill with her own money.
- 146. In 2023, Plaintiff Liu and other employees witnessed a Latino worker at the factory be taken to the hospital in an ambulance after he lost several fingers in one of the machines at the Cartersville Facility.
- 147. In late 2024 or early 2025, another employee at the Cartersville Facility seriously injured two of his fingers when they became caught in a machine on the factory floor. His fingers were badly crushed and he was unable to move them.

The employee showed his injured hand to Defendant Lu, who ordered the employee to resume work. Only after the employee pleaded with Defendant Lu did Defendant Lu agree to drive him to the hospital. The employee received only one day of rest after this injury and then was forced to return to work. He worked while recovering, and it was more than one month until he could move his fingers again. As of May 2025, his fingernails had still not grown back.

- 148. There was a large amount of dust and debris in the Cartersville Facility that affected Plaintiffs' and their coworkers' respiratory systems. Defendants did not provide a sufficient number of masks that could filter out these dust particles. Instead, Plaintiffs often had to use thin and flimsy surgical masks with no filter.
- 149. Plaintiffs and other employees frequently sustained burns from the hot coatings used in machines in the Cartersville Facility because they did not have the proper PPE. These burns could take several months to heal.

F. Wage and Hour Violations

- 150. Plaintiffs regularly worked over forty hours per week.
- 151. Plaintiffs' typical schedule during the relevant period was to work six days per week, for twelve hours each day.
- 152. Plaintiffs often worked more than twelve hours per day because they were not permitted to leave the factory until they finished certain assignments, because they were called into work late at night after they already completed their

regular shift, or because they were required to attend meetings before or after their shifts.

- 153. Defendants told Plaintiffs they would have a thirty-minute lunch break and two fifteen-minute breaks during each twelve-hour shift. However, Plaintiffs regularly did not get either of the promised fifteen-minute breaks. Plaintiffs were required to check with either Defendant George or Defendant Lu beforehand, and were often told that they could not take a break because the factory was too busy. Defendants also often required Plaintiffs to go back to work before their thirty-minute lunch break had concluded.
- 154. Plaintiffs were required to bring their own lunch to the factory and were not permitted to leave the factory during the lunch break.
- 155. Defendants promised to pay Plaintiffs a fixed annual amount based on the expectation that they would work twenty-six shifts of twelve hours each per month.
- 156. Defendants promised to pay Plaintiffs 1,000 Chinese yuan (approximately \$140) per each twelve-hour shift beyond the twenty-six shifts to be worked each month. This amount was to be deposited into Plaintiffs' bank accounts in China at the end of each year.
- 157. Plaintiffs were not paid any extra compensation when their work shift exceeded twelve hours in a given day. However, Defendants threatened to reduce Plaintiffs' pay if they missed a shift or did not report to work when summoned.

- 158. Plaintiffs were not paid an overtime premium when they worked more than forty hours per week.
- 159. Plaintiffs' formal job titles did not match the actual jobs they performed at the Cartersville Facility.
- 160. Plaintiff Han was hired as a "Paint Technician" and told that he would be training other employees, but his primary job duties actually involved performing manual labor and operating machines.
- 161. Plaintiff Zhang was hired as a "Plant Manager" according to the L-1 visa application submitted by Defendants, but his primary job duties actually involved operating machinery.
- 162. Plaintiff Liu was hired as a "Packaging Equipment Maintenance Engineer," but he was regularly directed to perform duties on the factory floor that were not included in his job description, including cleaning up dust or fixing machines that he was not responsible for maintaining.
- 163. Plaintiffs' work at the Cartersville Facility did not involve management duties or the regular exercise of independent discretion as to matters that would have a significant impact on Defendants' business.
- 164. Plaintiffs did not have the authority to hire or fire other employees or influence any hiring or firing processes.
- 165. Plaintiffs generally were paid only a portion of their wages into a bank account in the United States.

- 166. Plaintiffs generally had a portion of their wages paid in Chinese currency into a bank account in China.
- 167. Plaintiff Liu was paid the entirety of his salary only to his bank account in China.
- 168. Defendants designed this pay structure to prevent Plaintiffs from having the financial resources to leave their employment with the Wellmade Defendants or return to China without Defendants' permission.
- 169. The actual wages paid to the Plaintiffs on L-1 visas were significantly less than the wages Defendants reported they would pay in the visa applications that they filed with U.S. government authorities.
- 170. Plaintiffs were promised a performance-contingent bonus of \$10,000, to be paid in January of the following calendar year.
- 171. Plaintiffs understood that if they left their employment with the Wellmade Defendants before receiving their bonus for the prior year, they would never receive that bonus.
 - 172. Plaintiffs never received the full amount of their promised bonus.
- 173. On information and belief, Defendants made numerous improper deductions from Plaintiffs' wages.
- 174. Despite promising Plaintiffs that they would receive free housing, Defendants made deductions from Plaintiffs' wages for housing costs, including

rent and utilities, and failed to provide Plaintiffs with clear documentation and categorization of these deductions.

175. Despite promising Plaintiffs that they would receive free transportation to the workplace, Defendants stopped providing free transportation for Plaintiffs in or around September 2024. Thereafter, Defendants required Plaintiffs to arrange and pay for their own transportation.

G. Forced Labor

- 176. Due to the long work hours, low pay, and terrible treatment by Defendants, Plaintiffs wanted to leave their jobs with Defendants.
- 177. Defendants engaged in a pattern of behavior to make Plaintiffs reasonably believe that they would suffer serious harm if they stopped working at the Cartersville Facility.
- 178. Plaintiffs were unable to simply leave the Cartersville Facility because Defendants were in possession of their passports.
- 179. Plaintiffs feared that if they left the Cartersville Facility, Defendants would enforce the liquidated damages clauses contained in the documents that Plaintiffs signed in China, which would be financially devastating to Plaintiffs.
- 180. Because Defendants deposited part or all of Plaintiffs' wages in bank accounts in China, Plaintiffs did not have the financial resources to leave their employment.

- 181. Chinese law prohibits an employer or any other person from confiscating a worker's identity document.
- 182. Chinese law prohibits an employer or employment agency from collecting any form of security deposit or imposing any form of performance guarantee upon a worker.
- 183. Plaintiffs, per their L-1 and B-1/B-2 visas, were not legally permitted to work for employers in the United States other than the Wellmade Defendants.
- 184. Defendants told Plaintiff Liu and others with B-1/B-2 visas that Defendants would assist with converting their visas to L-1 visas, but then allowed the visas to expire without either renewing or converting them.
- 185. Plaintiffs reasonably feared that Defendants would retaliate against them, either physically or by other means, if they decided to leave their employment with Defendants.
- 186. Plaintiffs had numerous reasons to believe that Defendants could actually cause them serious harm if they acted against Defendants' wishes, such as by leaving their jobs at the Cartersville Facility.
- 187. Plaintiffs knew that Defendants had a system of cameras to surveil Plaintiffs and other employees while they were at work at the Cartersville Facility.
- 188. Plaintiff Liu and other employees were aware that both Defendant George and Defendant Morgan kept handguns in their shared residence.

- 189. Defendant George told Plaintiff Liu that he kept a gun in his house, and Plaintiff Liu witnessed Defendant George stating this to other employees.
- 190. On one occasion, when Plaintiff Liu was in Defendant Morgan's car with another employee, Defendant Morgan removed his gun from his car's glove compartment and handed it to Plaintiff Liu. Plaintiff Liu was shocked and took a picture of the gun. Defendant Morgan told Plaintiff Liu that he generally kept this gun in his home, where Plaintiffs Liu, Han, and other employees were frequently ordered to go to perform personal tasks for Defendant George.



Figure 2: Photograph taken by Plaintiff Liu of Defendant Morgan's handgun

191. When Defendant George suspected that Plaintiff Zhang wanted to leave his job with Defendants, he approached Plaintiff Zhang at work and threatened to make Plaintiff Zhang "repay" tens of thousands of dollars to Defendants. Defendant George also instructed other managers to approach

Plaintiff Zhang and remind him of the \$30,000 penalty that he would owe if he left his job with Defendants.

192. On November 26, 2022, during the Thanksgiving holiday, Defendant George called Plaintiff Liu and told him that he needed to report to work. Plaintiff Liu was exhausted from recently working on a high-stress project, so he wanted to take his rest day and declined to come in. After repeatedly calling Plaintiff Liu and one of his roommates, Defendant George drove to their house, where Plaintiff Liu lived in the garage storage room. Defendant George began shouting and kicked the door of Plaintiff Liu's room so violently that the door opened, and he left a large hole in the door. Defendant George then began making threatening gestures at Plaintiff Liu, coming within centimeters of hitting Plaintiff Liu with his fists, and was shouting and using very aggressive language. Later, Defendant Morgan also drove to Plaintiff Liu's housing and began to harass him. Plaintiff Liu felt he was in physical danger.



Figure 3: Photograph of hole created by Defendant George kicking in Plaintiff Liu's door

- 193. Ultimately, Plaintiff Liu believed he had no choice but to go back to the Cartersville Facility that evening. After making the repair that Defendants George and Morgan had demanded, Plaintiff Liu then requested his passport so that he could try to leave. Defendants refused to give him his passport.
- 194. After he returned home from the Cartersville Facility that evening, Plaintiff Liu contacted Defendants' Human Resources department in China and stated that he wanted them to purchase a plane ticket for him to return home. The Human Resources employee told Plaintiff Liu that because Defendants George and Morgan had not notified Human Resources that his employment had concluded, Human Resources could not help him to return to China. The following Monday, Plaintiff Liu returned to work at the Cartersville Facility.
- 195. Since Plaintiff Liu neither had possession of his passport nor enough money to purchase his own plane ticket, he had no choice but to continue working for Defendants.
- 196. Plaintiffs believed that if they left their employment with Defendants, they would not receive the portions of their wages that had been earned but not paid, including their annual bonus.

H. Escape from Wellmade, Factory Raid, and Arrests

197. Defendants did not allow Plaintiffs to leave their employment at the Cartersville Facility.

198. Plaintiff Liu ultimately was able to escape from his employment with Defendants in or around August 2024. A few months prior, Plaintiff Liu had convinced Defendants to return his passport so that he could take a test in New York for a driver's license. When he returned, Defendant Lu demanded that he return the passport. However, Plaintiff Liu persuaded Defendant Lu to let him keep the passport by stating that he would need his passport for additional steps in the process of obtaining a driver's license.

199. In or around August 2024, Plaintiff Liu and another employee executed their escape. After completing an evening shift, they returned to company housing, secretly packed their things, and then drove off in Plaintiff Liu's car.

200. After Plaintiff Liu and his coworker escaped, they informed Defendants via a message to a WeChat group chat that they were leaving. Defendant Lu telephoned them and threatened that if they left, they would have difficulties collecting their final earned wages. Indeed, Plaintiff Liu and his coworker never received the bonus compensation or wages from their last month of work that were owed to them.

201. On March 26, 2025, federal and local law enforcement agents conducted a raid at the Cartersville Facility and surrounding company-owned housing.

- 202. Defendants' employees were taken from the Cartersville Facility to another location to speak with the agents.
- 203. A press release from U.S. Immigration and Customs Enforcement ("ICE") stated that the raid was part of an ongoing criminal investigation into allegations of labor trafficking involving foreign nationals.
- 204. Defendants George, Morgan, and Lu were arrested and charged with trafficking persons for labor servitude under state law.
- 205. At an April 4, 2025 news conference, Steven Schrank, a special agent with ICE, stated that law enforcement encountered sixty victims of "horrific" forced labor.
- 206. Plaintiffs Han and Zhang were only freed from their forced labor situation when this raid occurred.

I. Other Workers

- 207. In addition to the workers hired directly from China, Defendants also employed a number of Latino and Chinese workers who were hired through labor agencies or brokers in the United States.
- 208. Defendants also employed non-immigrant employees at the Cartersville Facility.
- 209. On information and belief, the non-immigrant employees enjoyed better terms and conditions of employment than Plaintiffs or the other immigrant employees, such as receiving paid time off, more holidays, full rest and meal

breaks, and proper overtime premiums when they worked more than forty hours in a week.

J. The RICO Conspiracy

- 210. Plaintiffs plead the existence of a RICO Conspiracy.
- 211. Defendants conspired with each other to commit the pattern of racketeering activity set forth herein either through the respective RICO Enterprises and/or to acquire or maintain interests in or control of real property or personal property.
- 212. Defendants agreed to work together by illegal means to secure Plaintiffs' and other Class members' labor by committing racketeering offenses.
- 213. Therefore, as set forth above, Defendants conspired with each other and committed overt acts to effect, support, and further their objectives to engage in the racketeering acts through Enterprises I, II, III, and IV and/or to acquire or maintain interests in or control of real property or personal property.

VI. COLLECTIVE AND CLASS ALLEGATIONS

A. FLSA Collective Action

- 214. Plaintiffs assert their FLSA claims on behalf of a collective of individuals (the "FLSA Collective").
- 215. The FLSA statute of limitations for members of the FLSA collective is subject to equitable tolling for the following reasons:

- a. Defendants intentionally misled members of the FLSA Collective about their right to receive overtime premiums;
- b. Even if members of the FLSA Collective were aware of their right to receive overtime premiums, Defendants maintained such control over their movement, communications, and ability to leave that they were unable to assert their rights under the FLSA; and
- c. Defendants did not post and keep a notice explaining their employees' FLSA rights in conspicuous places, as required by 29 C.F.R. § 516.4.
- 216. Therefore, the FLSA Collective is defined as follows:

All individuals who worked at the Cartersville Facility for more than forty hours in any workweek between June 1, 2020 and the present.

217. In the alternative, if the Court determines the doctrine of equitable tolling does not apply, the FLSA Collective is defined as follows:

All individuals who worked at the Cartersville Facility for more than forty hours in any workweek in the previous three years.

218. Excluded from the FLSA Collective are the legal representatives, officers, directors, assigns, and successors of Defendants; any individual who at any time during the class period has had a controlling interest in Defendant Wellmade International and/or Wellmade NA; and Defendants George, Morgan, Allen, Lu, and their immediate family members.

- 219. Plaintiffs and other FLSA Collective members were subject to the Defendants' same policies and practices with respect to underpayment of overtime at the rate of one-and-a-half times the regular rate of pay for all hours over forty performed in a given workweek.
- 220. Common proof applicable to Plaintiffs and other FLSA Collective members will show that Defendants failed to properly pay them overtime wages as required by the FLSA.
- 221. Other FLSA Collective members will consent to sue if the Court grants conditional certification of this collective action.
- 222. For the reasons set forth above, certification of this case as a FLSA collective action is necessary and appropriate.

B. Rule 23 Class Action

223. Plaintiffs assert their TVPA, RICO, unjust enrichment, and *quantum meruit* claims on behalf of a class of individuals (the "Class") defined as follows:

All Chinese nationals who worked for Defendants at the Cartersville Facility between June 1, 2020 and the present.

224. Excluded from the Class are the legal representatives, officers, directors, assigns, and successors of Defendants; any individual who at any time during the class period has had a controlling interest in Defendant Wellmade International and/or Wellmade NA; Defendants George, Morgan, Allen, Lu, and

their immediate family members; and all persons who submit timely and otherwise proper requests for exclusion from the Class.

- 225. Plaintiffs bring these claims as a class action pursuant to Rule 23.
 - i. Numerosity
- 226. There are more than forty individuals, in addition to the Plaintiffs, who are putative members of the Class ("Class Members") in this action.
- 227. The Class Members are sufficiently numerous that joinder of all members is impractical.
 - ii. Commonality
- 228. Common questions of law and fact exist as to Plaintiffs and all Class Members and predominate over questions affecting only individual Class Members.
 - 229. These common questions include:
 - a. Whether Defendants provided and obtained Plaintiffs' and other Class Members' labor by means of a scheme that constituted an abuse of legal process;
 - b. Whether Defendants used threats of physical restraint, serious harm, and/or abuse of law or legal process to coerce Plaintiffs and other Class Members to remain employed by Defendants;

- c. Whether Defendants recruited, transported, harbored, provided, and/or obtained Plaintiffs and other Class Members for forced labor;
- d. Whether Defendants concealed, removed, confiscated, or possessed Plaintiffs' and other Class Members' passports or other immigration documents in the course of committing forced labor and/or trafficking for forced labor;
- e. Whether Defendants concealed, removed, confiscated, or possessed Plaintiffs' and other Class Members' passports or other immigration documents in order to, without lawful authority, maintain, prevent, or restrict the labor or services of Plaintiffs and other Class Members;
- f. Whether Defendants knowingly benefited from participation in a venture Defendants knew or should have known was engaged in the actions and omissions set forth in the preceding subparagraphs;
 - g. Whether Defendants violated or conspired to violate the RICO;
- h. Whether Defendants, through one or more of the RICO Enterprises, committed a pattern of racketeering activity causing Plaintiffs and other Class Members to suffer injuries;
- i. Whether Defendants accepted the fruits of Plaintiffs' labor and were unjustly enriched therefrom;

- j. Whether Defendants' actions were undertaken knowingly, willfully, intentionally, and without justification to deprive Plaintiffs' and Class Members' of their rights; and
 - k. The nature and extent of Plaintiffs' and Class Members' injuries.
 - iii. Typicality
- 230. Members of the proposed Class have all been subject to the same unlawful practices of Defendants, and their claims arise out of these same practices.
- 231. Plaintiffs and the proposed Class Members have the same rights under the TVPA and the RICO, and they are entitled to relief for Defendants' unjust enrichment and for *quantum meruit*.
- 232. Plaintiffs and the proposed Class Members performed similar work under similar circumstances giving rise to the same claims.
- 233. Plaintiffs and proposed Class Members suffered similar types of damages.
- 234. Plaintiffs' claims are typical of the claims of the Class because, among other things, Plaintiffs were employees who worked for the Defendants and suffered the same violations as the proposed Class Members.
- 235. Plaintiffs' interests are co-extensive with the interests of the Class Members; Plaintiffs have no interest adverse to the Class Members.

iv. Adequacy

- 236. Plaintiffs will fairly and adequately represent the interests of the Class Members. Their interests do not conflict with the interests of the Class Members they seek to represent.
- 237. Plaintiffs understand that, as Class representatives, they assume a responsibility to the Class to represent its interests fairly and adequately.
- 238. Plaintiffs have retained counsel experienced in prosecuting class actions and in employment matters. There is no reason why Plaintiffs and their counsel will not vigorously pursue this matter.

v. Superiority

- 239. A class action is superior to other available means for the fair and efficient adjudication of the claims at issue herein.
- 240. The damages suffered by each individual Class Member may not be sufficient to justify the burden and expense, particularly in light of the transnational nature of this case, of individual prosecution of the litigation necessitated by Defendants' conduct. Further, it would be difficult for members of the Class to obtain individual redress effectively for the wrongs done to them.
- 241. Many members of the Class are foreign nationals and migrant workers who lack the means and resources to secure individual legal assistance, have limited command of the English language or familiarity with the U.S. legal

system, and are particularly unlikely to be aware of their rights to prosecute these claims.

- 242. If individual actions were to be brought by each member of the Class, the result would be a multiplicity of actions, creating hardships for members of the Class, the Court, and the Defendants.
- 243. Individualized litigation also presents a potential for inconsistent or contradictory judgments and increases the delay and expense to all parties and the Court system.
- 244. By contrast, the class action device presents far fewer management difficulties and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.
- 245. This case does not present individualized factual or legal issues which would render a class action difficult.
- 246. In the alternative, the Class may be certified because: (a) the prosecution of separate actions by the individual members of the Class would create a risk of inconsistent or varying adjudication with respect to individual Class Members, which would establish incompatible standards of conduct for Defendants; (b) the prosecution of separate actions by individual Class Members would create a risk of adjudications with respect to them which would, as a practical matter, be dispositive of the interests of other Class Members not parties to the adjudications, or substantially impair or impede their ability to protect their

interests; and (c) Defendants have acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final and injunctive relief with respect to the Class Members as a whole.

VII. CAUSES OF ACTION

Count I Trafficking Victims Protection Act (TVPA) (Class Claim Against All Defendants)

- 247. By this reference, Plaintiffs hereby incorporate all allegations in the preceding paragraphs as if fully stated herein.
- 248. This cause of action sets forth Plaintiffs' and other Class Members' claims against Defendants under the civil remedies provision of the TVPA, 18 U.S.C. § 1595, in that:
 - a. Plaintiffs and other Class Members are victims of violations of the following provisions of Title 18, Chapter 77 of the United States Code: 18 U.S.C. §§ 1589, 1590, 1592, and 1597(a)(3);
 - b. Defendants were perpetrators of the foregoing violations; and
 - c. Defendants knowingly benefited from participation in a venture they knew or should have known engaged in the foregoing violations. *See* 18 U.S.C. § 1595(a).
- 249. In violation of 18 U.S.C. § 1589, Defendants knowingly provided and obtained Plaintiffs' and other Class Members' labor or services by means of:
 - a. Threats of physical restraint;

- b. Threats of serious harm;
- c. Abuse of legal process and threats of abuse of legal process; and
- d. A scheme, plan, or pattern intended to cause Plaintiffs and other Class Members to believe that, if they did not perform such labor or services, they would suffer serious harm or physical restraint.
- 250. In violation of 18 U.S.C. § 1590, Defendants knowingly recruited, transported, harbored, provided, and obtained Plaintiffs and other Class Members for labor or services in furtherance of Defendants' violations of 18 U.S.C. §§ 1589, 1592, and 1597(a)(3).
- 251. In violation of 18 U.S.C. § 1592, Defendants knowingly concealed, removed, confiscated, or possessed Plaintiffs' and other Class Members' passports or other immigration documents in the course of violating 18 U.S.C. §§ 1589 and 1590.
- 252. In violation of 18 U.S.C. § 1597(a)(3), Defendants knowingly concealed, removed, confiscated, or possessed Plaintiffs' and other Class Members' passports or other immigration documents in order to, without lawful authority, maintain, prevent, or restrict Plaintiffs' and other Class Members' labor or services.
- 253. Defendants are liable for the foregoing TVPA violations, as set forth in 18 U.S.C. § 1595(a).

- 254. Defendants' acts and omissions giving rise to this claim showed willful misconduct, malice, wantonness, oppression, and entire want of care, giving rise to a presumption of conscious indifference to the consequences.
- 255. Due to Defendants' forced labor scheme, Plaintiffs and other Class Members suffered economic harm in the form of, *inter alia*, unpaid wages, unpaid overtime, suppressed wage rates, illegal deductions, and lost work opportunities.
- 256. As a result of Defendants' forced labor scheme, Plaintiffs and other Class Members also experienced physical and emotional injuries.
- 257. Plaintiffs and other Class Members are entitled to damages for all economic and non-economic harm suffered as a result of the foregoing TVPA violations, punitive damages, as well as attorneys' fees and costs.

Count II Fair Labor Standards Act (FLSA) (Collective Claim Against All Defendants)

- 258. By this reference, Plaintiffs hereby incorporate all allegations in the preceding paragraphs as if fully stated herein.
- 259. The FLSA requires that each employee be paid at least the applicable minimum wage.
- 260. The FLSA requires that employees be paid overtime wages in the amount of one and one-half times their applicable regular pay rate for each and all of the hours worked in excess of forty hours in each workweek.

- 261. The FLSA prohibits deductions from wages for expenses that benefit the employer.
- 262. The FLSA requires that an employee's compensation be paid "free and clear" and prohibits any kickback to the employer. 29 C.F.R. § 531.35.
- 263. Defendants violated the FLSA's overtime requirements by failing to compensate Plaintiffs and other FLSA Collective members overtime premiums at one-and-a-half times the regular rate of pay.
- 264. Defendants violated the FLSA by making improper deductions from the compensation of Plaintiffs and other FLSA Collective members.
 - 265. Defendants' violations of the FLSA were willful.
- 266. Defendants are thus liable and obligated to compensate Plaintiffs and other FLSA Collective members for these illegal deductions and overtime violations, plus an equal amount as liquidated damages pursuant to § 216(b) of the FLSA.
- 267. Plaintiffs and other FLSA Collective members are likewise entitled to an award of costs of this action and reasonable attorneys' fees, as well as prejudgment interest, pursuant to §216(b) of the FLSA.

Count III

Georgia Racketeer Influenced and Corrupt Organizations Act (RICO) (Class Claim Against All Defendants)

268. By this reference, Plaintiffs hereby incorporate all allegations in the preceding paragraphs as if fully stated herein.

- 269. This Count sets forth Plaintiffs' and other Class Members' claims for damages against all Defendants caused by all Defendants' violations of the RICO.
- 270. Each Plaintiff and other Class Member is an aggrieved person with standing to sue within the meaning of the RICO, O.C.G.A. § 16-14-6(b).
- 271. Each Plaintiff and other Class Member is a person who was injured by reason of violations of O.C.G.A. § 16-14-4; therefore, Plaintiffs and other Class Members have standing to sue pursuant to the RICO, O.C.G.A. § 16-14-6(c).
- 272. The RICO Enterprises, as defined in $\P\P$ 83-90, *supra*, had the common purposes of recruiting and employing foreign nationals for employment at the Cartersville Facility or, in the alternative, for the common purpose of manufacturing flooring products at the Cartersville Facility.
 - 273. The RICO Enterprises function as continuing units.
- 274. Defendants were associated with the RICO Enterprises and conducted or participated in the RICO Enterprises and/or conspired to do so through a pattern of racketeering activity in violation of O.C.G.A. §§ 16-14-4(b) and 16-14-4(c), related by their common purpose.

A. Predicate Acts

275. Specifically, the predicate acts of racketeering activity by which the Defendants committed the RICO violations set forth in the preceding paragraphs are:

- a. Forced labor, 18 U.S.C. § 1589 (Count I, ¶ 249, *supra*);
- b. Trafficking with respect to forced labor, 18 U.S.C. § 1590 (Count I, \P 250, supra); and
- c. Unlawful conduct with respect to documents in furtherance of trafficking and forced labor, 18 U.S.C. § 1592 (Count I, ¶ 251, *supra*).
- 276. Defendants used proceeds derived from the foregoing racketeering activity—and/or conspired to do so—to acquire and maintain an interest in property, including money. O.C.G.A. § 16-14-4(a).

B. Pattern of Related Racketeering Acts

- 261. Defendants engaged in the racketeering activity described in this lawsuit repeatedly, starting in 2020 or 2021 and continuing at least through March 26, 2025, when law enforcement took action at the Cartersville Facility.
- 262. Defendants' racketeering acts had similar purposes: to employ a captive foreign workforce and to profit from coerced, inexpensive labor.
- 263. Each of the Defendants' racketeering acts yielded similar results and caused similar injuries to Plaintiffs and other Class Members.

C. Injury and Remedies

264. As a direct and proximate result of the Defendants' willful, knowing, and intentional acts in violation of the RICO set forth in this Complaint, Plaintiffs and Class Members have suffered injuries to their property, as well as physical injuries and emotional suffering.

- 265. The injuries flowed directly from the RICO predicate acts which were targeted at Plaintiffs and other Class Members such that they were the intended victims.
- 266. Defendants' acts and omissions giving rise to this claim showed willful misconduct, malice, fraud, wantonness, oppression, and entire want of care, giving rise to a presumption of conscious indifference to the consequences.
- 267. Plaintiffs and other Class Members are entitled to damages in an amount to be determined at trial, including but not limited to:
 - a. compensation for their injuries;
 - b. punitive damages;
 - c. trebling of the damages set forth in subparagraph (a) and (b), *supra*; and
 - d. attorneys' and experts' fees and costs associated with this action, as authorized by O.C.G.A. § 16-14-6(c).
- 268. Plaintiffs and other Class Members are also entitled to injunctive relief pursuant to O.C.G.A. § 16-14-4(a), including an order and judgment:
 - a. Ordering Defendants to divest themselves of interests in an enterprise, real property, or personal property wrongfully obtained or used in violation of the RICO;

- b. Imposing reasonable restrictions on Defendants' future activities or investments to prevent violations of the law like those alleged in this Complaint;
- c. Dissolving the Defendant Wellmade NA and/or ordering the suspension or revocation of its license to do business in the State of Georgia; and/or
- d. Ordering the forfeiture of Wellmade NA's corporate charter or the revocation of any certificates authorizing it to do business in Georgia.

Count IV Unjust Enrichment (Class Claim Against All Defendants)

- 269. By this reference, Plaintiffs hereby incorporate all allegations in the preceding paragraphs as if fully stated herein.
- 270. This Count sets forth claims by Plaintiffs and other Class Members against all Defendants for damages resulting from the Defendants' unjust enrichment.
- 271. No enforceable contract exists between Plaintiffs and Defendants governing the subject matter of this claim. To the extent any agreement is alleged to exist, Plaintiffs and other Class Members assert that such agreement is unenforceable, void, or otherwise does not preclude equitable relief.
- 272. Plaintiffs and other Class Members performed valuable services on behalf of and at the request of Defendants.

- 273. Defendants accepted the fruits of Plaintiffs' and other Class Members' services, including increased profits.
- 274. Plaintiffs and other Class Members provided this benefit with the reasonable expectation of compensation, and Defendants were aware of that expectation.
- 275. If Defendants are allowed to retain monies associated with Plaintiffs' and other Class Members' services and earnings, Defendants would be unjustly enriched at the expense of Plaintiffs and other Class Members.
- 276. Defendants must disgorge to Plaintiffs and other Class Members illgotten gains as a consequence of Defendants' unjust enrichment.
- 277. Defendants were unjustly enriched by their fraudulent inducement of Plaintiffs and other Class Members to continue providing labor to Defendants. Therefore, Plaintiffs and other Class Members are entitled to punitive damages.
- 278. Because Defendants acted in bad faith, Plaintiffs and other Class Members are entitled to their expenses of litigation, including attorneys' fees and costs, under O.C.G.A. § 13-6-11.
- 279. Defendants are jointly and severally liable to Plaintiffs and other Class Members for the damages that arose naturally and according to the usual course of things from the unjust enrichment claim and interest until recovery.

Count V Quantum Meruit (Class Claim Against All Defendants)

- 280. By this reference, Plaintiffs hereby incorporate all allegations in the preceding paragraphs as if fully stated herein.
- 281. This Count sets forth claims by Plaintiffs and other Class Members against all Defendants for damages based on *quantum meruit*.
- 282. No enforceable contract exists between Plaintiffs and Defendants governing the subject matter of this claim. To the extent any agreement is alleged to exist, Plaintiffs and other Class Members assert that such agreement is unenforceable, void, or otherwise does not preclude equitable relief.
- 283. As set forth above, Plaintiffs and other Class Members performed valuable services on behalf of and at the request of Defendants.
- 284. Defendants, as shown above, accepted the fruits of Plaintiffs' and other Class Members' labors with full knowledge that they were not provided gratuitously.
- 285. Defendants were aware, prior to and at the time that Plaintiffs and other Class Members provided such services, that Plaintiffs and other class Members expected to be compensated for the reasonable value of their labors.
- 286. Defendants have failed and refused to pay Plaintiffs and other Class Members the reasonable value of their labors.

- 287. As a direct result of Defendants' actions and inactions, Plaintiffs and other Class Members are entitled to recover the reasonable value of the labor provided under the doctrine of *quantum meruit*.
- 288. Defendants have acted in bad faith, and have caused Plaintiffs and other Class Members unnecessary trouble and expense. Therefore, Defendants should be required to pay the expenses, including attorneys' fees and costs, associated with the *quantum meruit* claim.
- 289. Defendants fraudulently induced Plaintiffs and other Class Members to continue working for Defendants for less than the reasonable value of their labors. Therefore, Plaintiffs and other Class Members are entitled to punitive damages in addition to consequential damages.
- 290. Defendants are jointly and severally liable to Plaintiffs and other Class Members for the damages that arose naturally and according to the usual course of things from the *quantum meruit* claim and interest until recovery.

VIII. JURY DEMAND

291. Pursuant to Federal Rule of Civil Procedure 38, Plaintiffs demand a trial by jury as to all issues so triable.

IX. PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request a jury trial and that this Court enter an Order:

a. assuming jurisdiction over this action;

- b. declaring this action to be maintainable as an FLSA collective action pursuant to 29 U.S.C. § 216(b), allowing Plaintiffs to provide notice of this action to potential opt-in plaintiffs, and allowing those eligible workers who choose to do so to opt-in to this action;
- c. certifying this case as a class action under Fed. R. Civ. P. 23, naming Plaintiffs as Class Representatives, and appointing Plaintiffs' attorneys as Class Counsel;
 - d. declaring that Defendants violated the TVPA;
 - e. declaring that Defendants violated the FLSA;
 - f. declaring that Defendants violated the RICO;
 - g. declaring that Defendants were unjustly enriched;
- h. declaring that Defendants violated the doctrine of *quantum meruit*;
- i. permanently enjoining Defendants from further violations of the TVPA;
- j. permanently enjoining Defendants from further violations of the FLSA;
- k. permanently enjoining Defendants from further violations of the RICO and ordering the injunctive relief set forth in O.C.G.A. 16-14-4(a);

- l. granting judgment to Plaintiffs and other Class Members and against Defendants on Plaintiffs' and other Class Members' TVPA claims and awarding them actual damages, punitive damages, and interest;
- m. granting judgment to Plaintiffs and other similarly situated workers who opt in pursuant to 29 U.S.C. § 216(b) and against Defendants on Plaintiffs' and similarly situated workers' FLSA claims and awarding each of them their unpaid wages plus an equal amount in liquidated damages;
- n. granting judgment to Plaintiffs and other Class Members and against Defendants on Plaintiffs' and other Class Members' RICO claims and awarding them actual damages, punitive damages, and trebling of actual and punitive damages;
- o. granting judgment to Plaintiffs and other Class Members and against Defendants on Plaintiffs' unjust enrichment claims and ordering Defendants to disgorge to Plaintiffs and other Class Members all resulting ill-gotten gains, as well as punitive damages;
- p. granting judgment to Plaintiffs and other Class Members and against Defendants on Plaintiffs' and other Class Members' *quantum meruit* claims and ordering Defendants to provide Plaintiffs and other Class members the reasonable value of their labor, as well as punitive damages;

- q. awarding Plaintiffs and other Class Members their costs and reasonable attorneys' fees; and
 - r. granting such further relief as the Court finds just.

Respectfully submitted this day: May 27, 2025.

/s/ Daniel Werner

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Attorneys for Plaintiffs

*Motion for admission pro hac vice forthcoming.

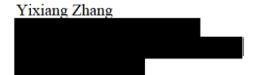
CERTIFICATE OF COMPLIANCE

This is to certify that on May 27, 2025, I prepared the foregoing in Book Antiqua, 13-point type in accordance with L.R. 5.1(C).

/s/ Daniel Werner
Daniel Werner
Co-Counsel for Plaintiffs

125 Clairemont Ave, Suite 380 Decatur, Georgia 30030 www.radfordscott.com (404) 400-3600

May 5, 2025 2025年5月3日



Re: REPRESENTATION & CONTINGENCY FEE AGREEMENT

主题: 代理与风险代理费协议

Dear Yixiang Zhang: 尊敬的 Yixiang Zhang:

We are pleased you have decided to retain Radford Scott LLP and Aaron Halegua, PLLC (the "Firm") to provide legal services on your behalf.

我们很高兴您决定委托 Radford Scott LLP 和 Aaron Halegua, PLLC (以下简称"本事务所") 为您提供法律服务。

1. Scope of Representation 代理范围

The scope of representation that you have asked us to undertake is: to assist you in recovering compensation related to all aspects of your recruitment to and employment by Wellmade Industries Mfr. N.A. LLC ("Wellmade"), its principals, and its agents (the "Matter"). By signing this Agreement, you grant the Firm permission to undertake and perform all necessary legal services related to the Matter. You agree to promptly provide all information to the Firm as requested.

您要求我们协助您就与 Wellmade Industries Mfr. N.A. LLC(以下简称"Wellmade") 及其主要人员和代理人(以下简称"本案")相关的招聘和雇佣事宜,追讨赔偿。签署本协议即表示您授权本事务所为您提供与本案相关的所有必要法律服务,并同意及时向本事务所提供所需的所有信息。

You understand and acknowledge the Firm has an obligation to investigate the facts and law underlying any legal claims involved in the Matter before instituting any formal proceedings,

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and this Agreement does not obligate the Firm to institute any particular proceeding if the Firm determines, in its sole discretion, that such proceedings are not advisable.

您理解并承认,本事务所有义务在启动任何正式程序之前,调查本案涉及的事实和 法律依据,本协议并不要求本事务所启动任何特定程序,如果本事务所自行判断认为不宜 启动该程序。

With respect to the Matter, you specifically authorize the Firm to, among other things:

- i. investigate your claims and prepare a demand letter if appropriate;
- ii. where the opportunity of settlement exists, engage in settlement talks on your behalf;
- iii. file a lawsuit, arbitration action, or other legal action (collectively, a "Complaint") on your behalf and on behalf of other individuals, if appropriate; and
- iv. pursue your claims as a class action, collective action, or multi-plaintiff action in which other similarly-situated individuals may join the legal action.

关于本案, 您特别授权本事务所执行以下事项:

- i. 调查您的主张,并在适当的情况下准备要求函;
- ii. 在存在和解机会的情况下,代表您进行和解谈判;
- iii. 代表您及其他适当的个人提起诉讼、仲裁或其他法律行动(统称为"诉状"); 以及
- iv. 以集体诉讼、联合诉讼或多人诉讼的方式追讨您的主张,允许其他类似情况的个人加入法律行动。

The Firm's acceptance of this engagement does not involve an undertaking to represent you or your interests more broadly in this matter, or in any other matter. In particular, the Firm does not agree to represent you in any immigration matter. If the Firm will represent you on any other matter, a separate agreement will need to be executed.

本事务所接受此项委托并不意味着在本案或其他事务中更广泛地代表您或您的利益。特别是,本事务所并不同意在任何移民事务中代表您。如果本事务所将在其他事务中代表您,则需要签署单独的协议。

2. Co-Counsel 共同律师

You acknowledge that the Firm is authorized to retain other counsel on your behalf without further notice to you, and to divide any attorneys' fees recovered in accordance with any lawful agreement between the Firm and the other counsel. If additional attorneys are engaged as co-counsel, this will not impact the amount of fees that you will pay under this agreement.

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您承认,本事务所有权在未经您进一步通知的情况下,代表您聘请其他律师,并根据本事务所与其他律师之间的合法协议分配任何律师费用。如果聘请了额外的律师作为共同律师,这不会影响您根据本协议支付的费用金额。

As you are aware, the Firm has agreed to work with Aaron Halegua of Aaron Halegua, PLLC ("Halegua") and to share with Halegua any fees owed to the Firm under this agreement, which is to be based on the number of hours of work performed on this Matter by Halegua and the Firm. However, the Firm and Halegua reserve the right to modify this fee sharing arrangement based on the circumstances of the litigation. Any modification of the fee sharing arrangement will not impact the amount of fees that you will pay under this agreement.

如您所知,本事务所已同意与 Aaron Halegua(Aaron Halegua, PLLC)合作,并与 Halegua 分享根据本协议应支付给本事务所的任何费用,费用将基于 Halegua 和本事务所 在本案中所花费的工作小时数。然而,本事务所和 Halegua 保留根据诉讼情况修改此费用 分配安排的权利。费用分配安排的任何修改都不会影响您根据本协议支付的费用金额。

3. Exclusive Representative 独家代理

By signing this agreement, you hereby agree to have the Firm act as your exclusive legal representative with respect to this matter, with the exception of any co-counsel the Firm chooses to work with pursuant to above paragraphs.

通过签署本协议,您同意本事务所作为您在本案中的独家法律代表,除非本事务所 根据上述条款选择与其他共同律师合作。

4. Class Action, Collective Action, or Multi-Plaintiff Action 集体诉讼、联合诉讼或多人诉讼

You understand your claims may be part of a class action, a collective action, or a multiplaintiff action. You acknowledge you may be responsible for acting as a representative of similarly-situated individuals who may choose to participate in such an action.

您理解,您的主张可能是集体诉讼、联合诉讼或多人诉讼的一部分。您承认,您可能需要作为类似情况的其他个人的代表,参与此类诉讼。

Should similarly-situated individuals join in a collective action or multi-plaintiff action, we may ask that they retain us on terms materially similar to this agreement. The existence of such agreements with other individuals will not alter the terms of this agreement with you.

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如果类似情况的个人加入集体诉讼或多人诉讼,我们可能要求他们在与本协议实质上相似的条款下聘请我们。与其他个人的此类协议的存在不会改变您与本协议的条款。

If the Matter does not proceed as a class, collective, or multi-plaintiff action, you authorize us to proceed with your individual claims, if appropriate.

如果本案未按集体诉讼、联合诉讼或多人诉讼进行,您授权我们在适当的情况下继续推进您的个人主张。

5. Waiver of Potential Conflicts 放弃潜在冲突

We do not believe there is presently a conflict in representing you and the other clients with respect to the Matter. Although we believe that all of your interests in this Matter are aligned, you acknowledge that you recognize and understand that differences may exist or become evident during the course of our representation. Notwithstanding these possibilities, you have all determined that it is in your individual and mutual interests to have a single law firm represent you jointly in connection with the Matter. It is possible that a circumstance could arise whereby our continuing with our representation could not occur without it adversely affecting one of you. In light of this possibility, we would recommend that you seek independent legal advice to determine whether consent to joint representation should be given. Whether or not you do so, however, is up to you.

我们目前认为,在本案中代表您和其他客户之间不存在冲突。尽管我们认为您在本案中的所有利益是一致的,但您承认并理解,在我们代理过程中,可能会出现差异。尽管存在这些可能性,您仍决定由同一律所共同代表您处理本案。可能会出现一种情况,即继续代理可能会对其中一方产生不利影响。鉴于这种可能性,我们建议您寻求独立的法律建议,以确定是否应同意共同代理。无论您是否这样做,均由您自行决定。

Accordingly, this confirms your mutual agreement to have us represent you jointly in connection with the Matter. This will also confirm that all clients have each agreed to waive any conflict of interest arising out of, and that you will not object to, our representation of each of you in the Matter described herein. Therefore, you hereby state that you prefer that the Firm jointly represent you in this Matter and that you decline to exercise your right to hire independent lawyers.

因此,本协议确认您同意由我们共同代表您处理本案。这也确认所有客户均同意放弃因本案产生的任何利益冲突,并且您不会反对我们在本案中代表您。您在此声明,您希望本事务所共同代表您处理本案,并放弃聘请独立律师的权利。

Finally, we will share all information we learn from all of you with each other, in order to best pursue the claims. Each of you enjoy attorney-client privilege with the Firm and our group

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communications are privileged as long as an attorney is taking part in the communication. No client should assume that anything said to us will be held in confidence from the other clients as we will have a legal and ethical duty to disclose to the other clients' information that is relevant to the case. In fact, failure to reveal such information to the other would be a violation of the joint attorney-client relationship. If you want independent advice or wish to be able to discuss matters in complete privacy, you will need separate counsel.

最后,我们将与您共享我们从所有客户那里获得的信息,以便最好地推进主张。您 与本事务所之间享有律师-客户特权,只要律师参与沟通,我们的团体沟通即受特权保护。 任何客户不应假定对我们所说的任何内容会对其他客户保密,因为我们有法律和道德义务 向其他客户披露与案件相关的信息。事实上,未能向其他客户披露此类信息将违反共同律 师-客户关系。如果您希望获得独立建议或希望能够完全私密地讨论事项,您需要单独的 律师。

There exists the theoretical possibility that a conflict of interest may one day surface among the clients. Although we presently are unaware of any facts which might give rise to such a conflict in the present Matter, such a possibility always exists, at least theoretically. If such a conflict should arise, the Firm may need to withdraw from representation of one or more of the clients. During the course of the litigation, there may be an opportunity to settle on behalf of one or more clients, while the other client(s) is or are not in a position to achieve a satisfactory settlement. We must be free to negotiate separate settlements if any client so desires.

理论上,可能会出现客户之间的利益冲突。尽管我们目前不知道可能导致此类冲突的任何事实,但这种可能性始终存在。若发生此类冲突,本事务所可能需要退出对一个或多个客户的代理。在诉讼过程中,可能会有机会代表一个或多个客户达成和解,而其他客户无法达成令人满意的和解。我们必须自由地与任何客户单独谈判和解。

In addition, your signature below will confirm your agreement that the Firm may continue to represent one or more clients in the Matter even if it becomes necessary for the Firm to cease the joint representation of all clients in the Matter, and also will confirm your waiver of any and all conflicts of interest inherent in the Firm's continued representation of any client in such circumstances, even if that representation may be adverse to your interests. As part of this agreement and waiver, you agree that the Firm may thereafter use for the benefit of any client any and all confidential information you disclosed to the Firm during the joint representation.

此外,您在下方签名将确认您同意,即使本事务所必须停止对所有客户的共同代理,本事务所仍可继续代表一个或多个客户处理本案,并确认您放弃本事务所在此类情况下继续代表任何客户所固有的任何和所有利益冲突,即使该代理可能对您的利益不利。作为本协议和放弃的一部分,您同意本事务所在共同代理期间,可能会将您向本事务所披露的所有机密信息用于任何客户的利益。

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6. Contingency Fee Agreement 风险代理费协议

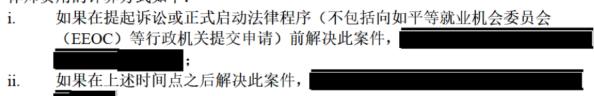
The Firm will only be compensated for legal services rendered if a recovery is obtained for you. If no recovery is obtained, you will be obligated to pay only for costs and expenses, as described below. Compensation for the Firm will be the greater of (i) the contingency fee amount set forth below (equal to the contingency fee percentage times the entire award, including any award for attorney's fees); or (ii) the attorney's fee award, if attorney's fees are awarded or expressly stated as fees in a negotiated settlement and/or judgment.

本所仅在为您争取到赔偿后才会获得法律服务的报酬。如果未能获得赔偿,您仅需支付下文所述的费用和开支。律所的报酬将以下列两者中金额较高者为准: (i) 下文所述的风险代理费用(即按整个赔偿金额,包括任何律师费裁定金额,乘以风险代理费百分比计算);或(ii) 若有律师费裁定,或在和解或判决中明确列出律师费,则以该裁定或协议中明确的律师费金额为准。

Attorneys' fees in the Matter shall be calculated as follows:

- i. If the Matter is resolved before filing a lawsuit or formal initiation of proceedings (other than an administrative proceeding before an administrative agency, such as the EEOC), then the attorneys' fees will be recovery, and
 ii. If the Matter is resolved after the time set forth in (i), above, then the attorneys' fees will be of the net recovery.
 - "Net recovery" is the total payment after any costs advanced by the firm are repaid.

律师费用的计算方式如下:



"净赔偿金额"是指从总赔偿金额中扣除律所已垫付的各项费用后的金额。

In addition, during the course of litigation the court, arbitrator, or tribunal may impose sanctions on your opposing party and order the opposing party to reimburse you for attorney's fees and/or expenses that you were forced to incur as a result of the opposing party's misconduct during litigation. All amounts paid by the opposing party as court- or arbitrator-ordered sanctions in the form of attorneys' fees shall be retained by the Firm in addition to the fee recovery set forth above.

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All amounts ordered paid by the opposing party as reimbursement for expenses shall be retained by whoever paid the expense, the Firm (if the Firm paid the expense at issue) or you (if you paid the expense at issue).

此外,在诉讼过程中,法院、仲裁员或仲裁机构可能会对对方当事人进行制裁,并命令其补偿您因对方不当行为而产生的律师费和/或费用。凡由对方当事人依据法院或仲裁机构命令支付的律师费制裁金额,除上述报酬外,律所将保留该部分费用;凡由对方支付的费用补偿金额,应归支付该费用的一方所有,即若由律所垫付则归律所,若由您支付则归您本人。

Costs and Expenses. The Firm will incur various costs and expenses in performing legal services under this Agreement. You agree to pay for all costs and expenses paid or owed by you in connection with this Matter, or which have been advanced by the Firm on your behalf and which have not been previously paid or reimbursed to the Firm. Expenses typically include such items as court reporter fees, expert witness fees, copying charges, computer research charges, travel expenses, and the like. We will send you monthly statements for costs and expenses and you agree to pay the statements upon receipt, unless (a) we are holding a retainer sufficient to cover the expenses; or (b) the Firm notifies you in writing that it will advance the costs and expenses on your behalf. You understand that costs and expenses are not part of the contingent fee, and that you are responsible for the costs and expenses of your case regardless of whether there is any recovery.

If the case settles or we prevail, we will ask that the Defendants pay the costs and expenses incurred in the case.

费用与开支。在提供本协议下的法律服务过程中,律所将产生各项费用与开支。您同意支付因本案件所产生或应支付的所有费用与开支,包括律所代表您垫付的、尚未偿还的费用。常见费用包括但不限于: 法庭速记员费用、专家证人费用、复印费、电脑检索费、差旅费用等。我们将每月向您发送费用明细账单,您应在收到账单后立即付款,除非满足以下任一情况: (a) 我们已持有足以支付费用的预付款;或(b) 律所书面通知您其将代表您垫付该项费用。

您理解费用和开支不属于风险代理费用的一部分,并且无论案件是否获赔,您都需 承担案件中的相关费用与开支。

如案件和解或胜诉,我们将要求被告支付在本案中产生的费用与开支。

<u>Lien.</u> You hereby grant the Firm a lien on any and all claims or causes of action that are the subject of the Firm's representation under this agreement. The Firm's lien will be for any sums owing to the Firm for any unpaid costs, or attorney's fees, at the conclusion of the Firm's services. The lien will attach to any recovery you may obtain, whether by arbitration award, judgment, settlement or otherwise.

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<u>留置权</u>.您在此授予律所对因本协议代表您进行的任何索赔或诉讼事项享有留置权。该 留置权适用于您应付给律所的未付律师费用或相关费用。该留置权将附着于您可能获得的 任何赔偿金,无论是通过仲裁裁决、法院判决、和解或其他方式实现的赔偿。

7. Preservation of Evidence 证据保全

Parties to litigation have a duty to preserve, and not "spoliate" (i.e., destroy or damage), evidence relevant to the litigation. This rule applies to all relevant evidence within your possession, including electronic data (e.g., computer data, emails, etc.), and any computers or computer drives that hold such information. While such evidence should be preserved, it should not be publicized or shared within anyone other than the Firm unless otherwise directed by the Firm. Accordingly, you agree not to publicize in any public domain, or to share with any third party, any information or evidence related to or that could impact this litigation. The public domain includes social networking sites such as WeChat, Facebook, Instagram, LinkedIn and Twitter, etc. You further agree to refrain from any posting, blogging, or other disclosure of information, including photographs, that could possibly impact the subject matter of the Firm' representation during the Firm's representation of you. You further agree to remove from public access without deleting, and to privately preserve for potential production to defendant(s), any information or evidence related to or that may impact this litigation that is currently publicized, as well as any other data or information that could adversely impact the outcome of this litigation.

诉讼当事人有责任保全证据,避免"证据破坏"(即销毁或损坏与诉讼相关的证据)。该规则适用于您掌握的所有相关证据,包括电子数据(如计算机数据、电邮等)及其存储设备。此类证据应妥善保存,除非本所另有指示,不得对外公开或与他人分享。您同意不在任何公开平台或与任何第三方共享可能影响诉讼的信息或证据。公开平台包括但不限于微信、Facebook、Instagram、LinkedIn 和 Twitter 等社交媒体。您也同意在不删除的前提下,将已公开的信息移除公众访问范围,并妥善私下保存,以备将来向被告方提供。

Do not throw out, turn in, or otherwise give up possession of any **personal** phones, iPads or similar devices, or computers that you used while working for the defendant. Do not turn in your phone to a cell phone company even if they promise you that all data, text messages etc. will be transferred to the new phone.

请勿丢弃、上交或放弃您在为被告工作期间使用的任何私人手机、iPad 或类似设备, 或计算机。即使运营商承诺会完整转移数据,也不要将手机交回手机公司。

In addition, you hereby agree to fully comply with the obligations set forth in the Notice on the Preservation of Documents attached as Schedule B to this Agreement.

此外,您同意完全遵守本协议附件B《文件保全通知》中所规定的义务。

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8. Your Duty to Provide Information and Cooperate with Us 客户的义务与配合

We expect from our clients the highest degree of cooperation and assistance. Failure to provide such information could prejudice your case and ultimately reduce the effectiveness of our representation. In order for us to do our best for you, there are some things you need to do for us. This includes:

- We need for you to always tell us the whole truth.
- We need to know at all times where you can be reached.
- We need for you to appear when requested at conferences, depositions, and in court.
- We need for you to provide us with any information and/or documents we request from you.
- We need for you to follow any other reasonable instructions or requests from us.

我们期望客户给予最大程度的配合和协助。不配合可能会对您的案件造成不利影响。 为协助我们为您提供最佳代理,您需要:

- 始终如实告知我们所有信息;
- 随时告知我们您的联系方式;
- 在我们要求时出席会议、证词陈述及出庭;
- 向我们提供我们所要求的信息或文件;
- 遵从我们的合理指示和请求。

Additionally, by signing this agreement, you acknowledge that you are not currently a debtor in any bankruptcy proceeding, and have not filed for bankruptcy in the last three (3) years. You further acknowledge that applying for a discharge of debts in bankruptcy without declaring the existence of a claim for money due to damages can result in you being barred from any recovery for such damages. In the event that you decide to file a petition for bankruptcy during the pendency of the Firm's representation of you, you shall give the Firm no less than ten (10) days written notice before filing such a petition, shall provide the bankruptcy court full and complete details regarding retention of the Firm in this Matter, and shall provide a copy of this agreement to any such court or bankruptcy trustee upon request.

此外,签署本协议即表示您确认您目前并未处于任何破产程序中,且在过去三年内未申请过破产。您进一步承认,如果在破产申请中未如实申报因损害所应获得的赔偿主张,可能会导致您无法追回此类赔偿。在本所代理期间,若您决定申请破产,须至少提前十(10)天书面通知本所,并在申请中完整披露本所的代理情况,并在法院或破产托管人要求时提供本协议副本。

The Firm will not make any settlement or compromise of any nature of any of your claims without your prior approval. You have the absolute right to accept or reject any settlement. You agree to seriously consider any settlement offer the Firm recommends before making a decision to accept or reject such offer. You agree not to make any settlement or compromise of any nature of

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any of your claims without prior notice to the Firm.

本所不会在未经您事先批准的情况下对您的主张进行任何形式的和解或妥协。您拥有决定是否接受和解的绝对权利。您同意认真考虑本所提出的任何和解建议。您亦不得在未经本所事先通知的情况下单方面达成任何和解。

9. No Guarantee 无结果保证

The Firm cannot guarantee the outcome of any legal dispute. No promise or representation has been made by the Firm as to the outcome of the claim or as to what amounts, if any, you may be entitled to recover in this case. Moreover, we cannot predict in advance what the total amount of fees will be for our services. You acknowledge that the Firm has made no promises about the outcome, including the costs and expenses of litigation, and that any opinion offered provided by the Firm or any of its attorneys will not constitute a guarantee.

本所无法对任何法律争议的结果作出保证。本所未就索赔结果或您可能获得的赔偿 金额作出任何承诺。此外,我们也无法提前预测本案的最终费用总额。您承认本所未就诉 讼费用或诉讼结果作出任何承诺,且本所或其律师提供的任何意见不构成担保。

10. No Tax Advice 无税务建议

We are not tax experts and are not qualified to give tax advice. You agree to seek the advice of a CPA or other tax expert in determining the tax implications of any potential or actual recovery.

我们不是税务专家,无权提供税务建议。您同意在评估潜在或实际赔偿对税务的影响时,咨询注册会计师或税务专家。

11. Termination of Our Representation 终止代理

You or we may terminate our representation at any time prior to the filing of a Complaint. You may also terminate our representation at any time after the filing of a Complaint. If you decide to terminate our representation (whether before or after the filing of a complaint in court), you will give us reasonable written notice and you will pay us, at the Firm's option, either the total time we have invested in the matter at our customary hourly rates (see Schedule A attached) or the contingent fee that would be payable at the time of termination, applied to the highest settlement offer that you have received as of the time of termination or any offer that you subsequently receive.

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在正式提交诉状之前,您或本所均可随时终止代理。在诉状提交之后,您仍可终止本所的代理。在您终止本所代理时(无论是在诉状提交前或后),您需提前书面通知,并根据本所选择,支付本所在本案中所投入的全部时间对应的常规小时费率费用(详见附件A),或按终止时已收到或随后收到的最高和解报价为基础,支付按比例计算的应得风险代理费。

After the filing of a Complaint, we may withdraw from representing you for any reason permitted by the Georgia Rules of Professional Conduct. In the event we withdraw for any reasons listed in this paragraph, we will have a lien on any recovery for attorney's fees calculated in the same manner as if you had terminated our representation, as well as any costs or expenses incurred on your behalf that have not yet been reimbursed.

在诉状提交之后,本所可根据乔治亚州《职业道德规范》规定的理由终止代理。如 因上述原因终止,本所对任何赔偿金额拥有律师费留置权(计算方式同您主动终止代理情形),以及尚未偿还的任何费用与开支。

All files and/or documents retained at the Firm relating to your representation are and remain your property, as the client, except for the Firm's internal and/or administrative documents, such as attorney time sheets. You may have access to these materials at any time, and upon termination of our representation, you may withdraw these materials with prior written notice. The Firm reserves the right to photocopy the client's files at the client's expense. We reserve the right to destroy all files five (5) years after the cessation of representation in a matter unless you request their return. In the event you choose to change representation to any attorney outside this Firm, a written notice authorizing the transfer of your files must be submitted. We reserve the right to retain digital copies and/or photocopies of any of these documents.

所有与您代理有关的文件为客户财产,但不包括律师的内部文件(如工作记录)。 您可随时查阅这些材料,代理终止后,您可提前书面通知取回。我们有权按客户承担费用 的前提下对文件进行复印。代理终止后五(5)年内未取回的文件,我们有权予以销毁。 如您选择将代理转交给其他律师,须提交授权文件,本所保留保留电子或复印副本的权 利。

12. Controlling Language 版本权威

This document has been translated into Chinese as a convenience to you. However, the English version is controlling and the Chinese translation has no binding effect.

本文件为方便您已翻译成中文,但以英文版本为准,中文翻译无法律效力。

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13. Complete Agreement and Choice of Law 完整协议与法律适用

This is the only agreement between us and supersedes any previous agreement. This agreement will be construed according to Georgia law. If you have any questions or concerns regarding this Agreement, please contact us before signing it. Otherwise, please sign this Agreement and return it to us. On behalf of the Firm, we are happy to represent you in this Matter. If you have any questions, please contact me at your convenience.

这是我们之间的唯一协议,取代此前所有约定。本协议受乔治亚州法律管辖与解释。如您对本协议有任何疑问,请在签署前与我们联系。若无异议,请签署并返回本协议。代表本所,我们很高兴为您代理本案。如您有任何问题,欢迎随时联系我。

Sincerely, 此致	
/s/ Daniel Werner Daniel Werner Radford Scott, LLP	
/s/ Aaron Halegua Aaron Halegua Aaron Halegua, PLLC	
Agreed by Client: 客户签署确认:	(Chinese / 中文)
	(Pinyin / 英文或拼音)

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> Schedule A Hourly Rates

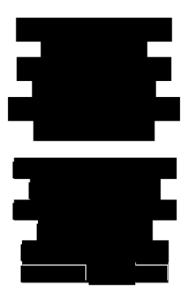
附件 A 小时计费标准

Below are the current hourly rates charged by our Attorneys and Staff. This is not a contract, as we are proceeding on a contingent fee. This is for your reference in the event, for example, in which a court orders a defendant to pay Attorneys' fees at their hourly rates.

Note: for particularly complex matters, such as class actions or civil rights actions, Attorneys' fees may be higher due to the higher market rate for such services.

以下为本所律师及员工当前的小时计费标准。本表并非一份合同,因为我们是以风险代理方式收费。此信息仅供您参考,例如,在法院命令被告按小时计费标准支付律师费的情况下。

注意:对于某些特别复杂的案件,例如集体诉讼或民权案件,由于此类服务的市场价较高,律师费用可能相应较高。



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Schedule B NOTICE ON THE PRESERVATION OF DOCUMENTS

附录 B 关于保存文件的通知

The law imposes an obligation on you to provide us all documents regarding your claims in this Matter. In addition, you must preserve all evidence in your possession or control that relates to your claims in this Matter.

法律规定,您有义务向我们提供有关您在本案中的索赔的所有文件。此外,您必须保留您所拥有或控制的所有与您在本案中的索赔有关的证据。

Until the conclusion of this Matter, Client must preserve and maintain all documents and electronic records or files in Client's possession or control that relate to this matter in any way, including those pertaining to your recruitment to work at Wellmade, work and other experiences in Wellmade, and related to the impact of the experience on you. These documents and records include, but are not limited to documents in paper format as well as electronic information stored in work or personal home computers, laptops, PDAs, thumb drives, cell phones, external hard drives, CDs, DVDs, voicemail, video, social networking websites, online email accounts, blogs or other storage media. In particular, Client must ensure that any auto-delete function on his e-mail, WeChat, or other accounts are disabled. Client must also ensure that any potentially relevant WeChat messages (written or voice), including those exchanged with other workers in this case, are preserved and not deleted. If Client plans to dispose of any mobile phone, Client should first consult with the Firm to ensure that the proper steps are taken to preserve any relevant materials. Client acknowledges that a failure to do so may negatively impact Client or Client's claim, including its dismissal.

在本事项结束之前,当事人必须以任何方式保存和维持当事人拥有或控制的与本事项有关的所有文件和电子记录或文件,包括与您在 Wellmade 工作的招聘过程、在 Wellmade 的工作经历和其他经历以及以及这些经历对您产生的影响。这些文档和记录包括但不限于纸质文档以及存储在工作或个人家用电脑、笔记本电脑、PDA、拇指驱动器、手机、外部硬盘驱动器、CD、DVD、语音邮件、视频、社交网站、在线电子邮件帐户、博客或其他存储媒体中的电子信息。特别是,当事人必须确保其电子邮件、微信或其他帐户上的任何自动删除功能都被禁用。当事人还必须确保任何可能有关的微信信息(书面或语音),包括和其他工人互相发送的信息,被保留,而不是被删除。如果当事人计划处理任何移动电话,当事人应首先咨询律师,以确保采取适当措施保存任何相关材料。当事人承认,不这样做可能会对他或他的索赔产生负面影响,包括撤销该案件。

Client further agrees to cooperate with the Firm in preserving any potentially relevant evidence related to this case, including electronically stored information. In particular, if deemed

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necessary by the Firm, Client agrees to cooperate in making an electronic copy of Client's mobile phone(s) and all e-mail and social media accounts, including WeChat, for the purposes of the case.

当事人还同意与律师合作保存所有可能与本案有关的证据,包括电子存储信息。特别是,如果律师认为有必要,当事人同意为本案的目的合作制作其手机和所有电子邮件及社交媒体账户(包括微信)的电子副本。

I have read and understand this Notice on the Preservation of Documents and agree to comply with my obligations as set forth above.

我已经阅读并理解本协议,并且接受该协议的全部条款。

NAME (Chinese) 名字(中文):	
NAME (Pinyin) 名字(拼音):	
DATE / 日期:	

October 24, 2025

Via Electronic Mail Only

Aaron Halegua (<u>ah@aaronhalegua.com</u>)
Aaron Halegua, PLLC

Daniel Werner (<u>dwerner@radfordscott.com</u>)
Radford Scott. LLP

Re: Retainer Agreement

Dear Mr. Halegua and Mr. Werner:

On behalf of the firm, let me express our appreciation for the confidence you have shown in selecting us as counsel to assist and advise you ("Client") on insolvency and bankruptcy issues related to Wellmade Floor Coverings International, Inc. and Wellmade Industries MFR N.A. LLC (together "Wellmade") in its pending bankruptcy case (the "Case"). We understand that Client represents numerous former employees of Wellmade and may come to represent additional similarly-situated individuals, including potentially on a class or collective basis (the "Plaintiffs"). It is our practice and to our mutual benefit to have a written understanding setting forth both the basis of the services we are expected to render on behalf of Client, and the basis for the payment of our fees, so that there may be no misunderstanding of the nature and scope of our employment and method of compensation. In addition, this letter is intended to ensure that Client has sufficient information to make an informed decision as to whether to consent to the terms and conditions set forth below.

This legal services agreement ("Agreement") is entered into by and between Client and Levene, Neale, Bender, Yoo & Golubchik L.L.P. ("LNBYG").

- CONDITIONS. This Agreement will not take effect and LNBYG will have no obligation to provide legal services, until Client returns a signed copy of this Agreement.
- 2. SCOPE AND DUTIES. LNBYG is to serve as counsel to advise Client and to render such ordinary and necessary legal services as may be required in connection with the resolution of Client's insolvency-related issues in the Case. LNBYG shall render such ordinary and necessary legal services as may be required in connection with Client's rights and claims in the Case, provided such services are within the substantive expertise and staffing capability of LNBYG.

LNBYG will be fully involved in the bankruptcy and any related proceedings, and will enter a notice of appearance, pro hac vice application/motion, and will appear (via Zoom) along with trial counsel, Aaron Halegua and/or Daniel Werner, at hearings; LNBYG will negotiate with the United States Trustee ("UST"), official committee of unsecured creditors ("Creditors Committee"), Wellmade, and any other parties in interest in the Case as necessary. LNBYG will be involved in strategizing for the bankruptcy Case and insolvency-related non-bankruptcy avenues to help achieve a resolution for the Client's claims against Wellmade. LNBYG will monitor the docket on the Case and review any motions, pleadings, and other documents filed in the Case, as well as prepare any documents or pleadings that are to be filed by Client in the Case.

Because LNBYG's practice is limited exclusively to matters of bankruptcy, insolvency and reorganization, LNBYG will not be required to render substantive legal advice beyond those areas, including, without limitation, corporate, tax, securities, tort, environmental, labor, criminal or real estate law. Moreover, LNBYG may require

LAW OFFICES

LNBY&G

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more legal staffing assistance than its manpower availability permits internally. Therefore, it may be necessary for Client, subject to the agreement of Client, to retain such additional counsel as may be necessary in order to assist LNBYG in connection with matters which LNBYG feels are beyond its substantive legal expertise and/or staffing capability. In the event Client retains other counsel to assist with matters outside of LNBYG's expertise, LNBYG shall not be responsible for supervising, reviewing or approving the work performed by any other counsel retained by Client.

Finally, LNBYG is being employed by Client, and not any other parties such as any members, partnerships, corporations or their officers, directors, shareholders, employees and/or guarantors; such other parties should consult their own independent counsel.

3. **RETAINER AND FEE PROCEDURES.** LNBYG has agreed to undertake this representation on a contingency fee structure, by which it shall receive of the attorneys' fees recovered by Client in this bankruptcy Case. LNBYG recognizes that Clients currently have a retainer agreement with the Plaintiffs that entitles Clients to receive the greater of (a) of the net recovery after the deduction of expenses, or (b) any attorneys' fees awarded. LNBYG's entitlement to fees does not extend to any recovery as part of any litigation outside of the bankruptcy Case against defendants or parties other than Wellmade, unless a separate agreement between LNBYG and Client is executed. In the event that Client deems it necessary to retain additional counsel to assist with this Case, and some portion of the Client's contingency fee is provided to that new counsel, then LNBYG agrees that its share of the contingency fee shall be reduced in the same proportion as that of the Client's share.

LNBYG is qualified to represent Client in connection with these matters, having represented numerous parties in similar situations. LNBYG has analyzed the information that Client has provided LNBYG to date, and has determined that the contingency structure is commensurate with the anticipated value of LNBYG's commitment to the representation of Client and Client's financial resources. In connection with this analysis, LNBYG has evaluated, among other things, the complexity of the issues involved in the matters covered by this Agreement, the time and labor required to zealously represent Client throughout the pendency of LNBYG's engagement, and the preclusion of other employment by LNBYG due to the acceptance and undertaking of Client's matter.

If LNBYG is required or requested by Client to make use of third-party service providers, including, without limitation, court reporters, appraisers, copy services, data management services or noticing agents, LNBYG shall advise such service providers that the services to be rendered shall be for Client's account and on Client's behalf, and that Client should be billed directly for such services. Client shall also directly pay for filing fees in the Case, including, but not limited to, *pro hac vice* fees. LNBYG will provide advance notice to Client and obtain Client approval for any cost in excess of one-hundred dollars (\$100). Any invoices received by LNBYG from third party service providers shall immediately be forwarded to Client for payment, and Client agrees that such invoices shall be promptly paid. LNBYG will not charge Client for routine in-house office costs, such as Westlaw/Lexis research, copies/printing, faxes/telecopies, or phone calls. LNBYG will endeavor to limit PACER costs and coordinate with trial counsel to do so.

4. **STATEMENTS.** LNBYG shall send to Client (at the address set forth above or as otherwise directed) monthly statements reflecting the fees and costs incurred in connection with the services rendered on behalf of the Client. Statements will contain a concise, meaningful description of the services rendered; the name, rate and hours billed for each lawyer or other person whose rates compose the fee; and a list of disbursements and the charge. You shall have the opportunity to review all such fees and costs and, if following such review, you do not notify LNBYG of any questions or concerns regarding the fees and costs reflected on a particular monthly statement, you shall be deemed to have approved the fees and costs reflected on each such monthly statement. These statements are primarily for LNBYG's own internal recordkeeping purposes and may be used as part of any fee petition submitted Clients in the Case; however, LNBYG is only entitled to payment through the contingency fee arrangement described above.

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5. **HOURLY RATES.** LNBYG will keep track of the fees incurred in this representation pursuant to its standard billing practices in the case that Client and/or Plaintiffs are entitled to an award of attorneys' fees. LNBYG's fees will be calculated in part using its guideline hourly rates for attorneys and paraprofessionals which currently range from per hour and are subject to change from time to time. It is anticipated that John-Patrick M. Fritz will be primarily responsible for overseeing the handling of Client's matter. Mr. Fritz's current hourly billing rate is and is subject to further change in the future (generally increasing on January 1 of each year), but LNBYG will give prior notice to Client of changes in billing rates.

Costs chargeable to Client include only LNBYG's actual out-of-pocket costs, such as for filing fees, messenger service, court reporters, or PACER fees. LNBYG will not charge Client for in-house costs, including those listed in paragraph 3 above.

6. **CONFLICT OF INTEREST.** LNBYG's employment shall be limited to the representation of Client, as an entity separate and distinct from Client's principals, agents, employees, and others. LNBYG cannot represent or advise others in connection with the matters for which it is being retained. Therefore, such parties as Client's members, or any partnerships, corporations, guarantors and affiliates related to Client, for example, should consider retaining separate counsel to represent and provide such advice as may be necessary or appropriate from time to time.

Client has been advised that LNBYG, because of the specialized nature of its practice, may from time to time concurrently represent one client in a particular case and the adversary of that client in an unrelated case. For example, it is possible that LNBYG may have represented one or more of the parties with whom you ordinarily do business in the past or at present in connection with other matters. We have not undertaken an extensive review of your business or financial affairs and thus we are not aware if this pertains. Please be assured that, despite such potential conflicting representation, LNBYG strictly preserves all client confidences and zealously pursues the interest of each client, including in those circumstances in which LNBYG represents the adversary of an existing client. Client specifically waives any objections to any such present concurrent representation.

- 7. **DISCHARGE AND WITHDRAWAL.** Client may discharge LNBYG at any time on written notice; however, Client's discharge of LNBYG shall not relieve Client of its obligation to pay any of the amounts owing to LNBYG as set forth in paragraphs 3 and 5, above, for costs incurred prior to such discharge. If Client terminates LNBYG and later receives a recovery in the Case, the parties will make a good faith effort to determine a fair payment to LNBYG based upon its work on the matter prior to such termination. LNBYG may withdraw with Client's consent or for good cause. Good cause includes, but is not limited to, breach of this Agreement by Client, Client's refusal to cooperate with LNBYG or to follow LNBYG's advice on a material matter, or any other fact or circumstance that would render LNBYG's continuing representation unlawful, unethical or otherwise inconsistent with what LNBYG believes to be appropriate under the circumstances. In addition, during the term of LNBYG's employment by Client, Client shall be truthful with LNBYG, cooperate with LNBYG, and keep LNBYG informed of all developments affecting Client that are relevant to the matters for which LNBYG has been retained. Client shall provide LNBYG with all relevant financial, legal or other requested documentation, abide by this Agreement and keep LNBYG advised of Client's current address, telephone number and whereabouts. If LNBYG withdraws from the Case without good cause, it will not be entitled to the recovery of its contingency fee.
- 8. **INSURANCE COVERAGE.** As required under California Business and Professions Code § 6148, Client is hereby advised that LNBYG maintains errors and omissions insurance coverage to the extent applicable to the services to be rendered as described herein.

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- DISCLAIMER OF WARRANTY. Nothing in this Agreement and nothing in LNBYG's statements to Client will be construed as a promise or warranty about the outcome of Client's matter. LNBYG makes no such promise or warranty as to the results to be accomplished in any legal proceeding involving Client. Client further acknowledges and agrees that no estimate of the fees and charges to be incurred on Client's behalf shall be binding, or in any way limiting, upon LNBYG, and Client understands and agrees that it shall be liable for all fees and costs incurred by LNBYG under this Agreement on Client's behalf.
- DOCUMENT RETENTION POLICY. In the ordinary course of LNBYG's practice, LNBYG does not retain original documents, except as may be expressly required by the California Code of Civil Procedure, Evidence Code or other applicable laws. Original documents which LNBYG is not required to retain, depending on case requirements, may be delivered, filed, recorded, or returned to Client.

In addition, LNBYG may obtain non-original documents which are received from third parties (e.g., opposing counsel, a court or other tribunal, witnesses) relating to the matters covered by this Agreement. LNBYG may scan such non-original documents electronically, then dispose of the paper copy.

Client is hereby advised that, at the conclusion of the services governed by this Agreement, Client shall be contacted in writing and asked for instructions with respect to the disposition or return of its files. In the event that Client fails to respond to such inquiry within thirty (30) days following the date of the written notification, Client agrees that its files will become subject to LNBYG's standard document retention policy, which currently provides that any unclaimed files are destroyed after five (5) years without further notice to Client. Electronic copies of Client's documents maintained in LNBYG's electronic files will be retained for one (1) year. Thereafter, any retained electronic copies of Client documents are subject to removal or destruction, without further notice to Client.

Subject to this document/property retention policy, LNBYG will provide to Client, upon reasonable request, any retained originals or electronic copies of client documents, or client property, in accordance with California Rules of Professional Conduct, Rule 1.16.

- ENTIRE AGREEMENT. This Agreement constitutes the complete agreement between LNBYG and Client concerning the terms of Client's employment of LNBYG, and supersedes all prior or contemporaneous statements, discussions and agreements between you and LNBYG.
- ARBITRATION. The parties hereto agree that any dispute relating to the fees and/or costs charged by LNBYG under this Agreement shall be submitted to binding arbitration before the Los Angeles County Bar Association pursuant to California Business and Professions Code § 6200, et seq., or, should that organization decline to arbitrate the dispute, before the State Bar of California pursuant to California Business and Professions Code § 6200, et seq. Any other dispute (other than with respect to the fees and/or costs charged by LNBYG under this Agreement) between the parties hereto arising out of or relating to this Agreement or LNBYG's professional services rendered to or for Client, shall be resolved by binding arbitration before the American Arbitration Association in Los Angeles, California, in accordance with the Commercial Rules of the American Arbitration Association prevailing at the time of the arbitration.
- ATTORNEYS FEES AND PREVAILING LAW. If there is litigation or arbitration to enforce this 13. Agreement, the prevailing party will be entitled to attorneys' fees and costs. California law shall apply in connection with this Agreement.

LNBYG has advised you to obtain independent legal advice regarding this Agreement. By executing this Agreement, you hereby acknowledge that you have either obtained such independent legal advice or knowingly waived the benefit of such independent legal advice.

LNBY&G

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If you are in agreement with the foregoing, please execute this Agreement in the space provided below and return it to me; if not, kindly contact us immediately.

Very truly yours,

LEVENE, NEALE, BENDER, YOO & GOLUBCHIK L.L.P.

By:_

John-Patrick M. Fritz

Partner

JPF@LNBYG.COM

THE FOREGOING IS APPROVED AND AGREED TO:

AARON HALEGUA AARON HALEGUA, PLLC

Aaron Halegua

DAN WERNER RADFORD SCOTT, LLP

LNBY&G

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Appendix A

Client currently represents the following individuals in relation to the Case, but Client may be retained by additional, similarly-situated individuals in relation to the Case who will also be subject to this Agreement.

- 1. Cangen Han
- 2. Yucong Liu
- Yixiang Zhang
 Nan Liu
- 5. Shuai Zhang
- 6. Yao Yan
- 7. Haitao Sun
- 8. Jiangsheng Yin
- 9. Shengxiang Yu
- 10. Wen Chen
- 11. Shengda Yu
- 12. Shun Yu
- 13. Shunkui Wang
- 14. Jinchao Si
- 15. Jiagen Yang
- 16. Marianela Pina Yaguari
- 17. Yorman Ojeda Herrera
- 18. Eglis Almarza Diaz