

SETTLEMENT AGREEMENT OF PRIVATE ATTORNEYS GENERAL ACT CLAIMS

This Settlement Agreement of Private Attorneys General Act Claims (the “Agreement”) is made and entered into between Plaintiff Mikayla Huddleston (“Plaintiff” or “Huddleston”), acting in a private attorney general capacity on behalf of herself and PAGA Settlement Employees, and Defendant Easter 263, Inc. (“Defendant” or “Easter”) a California corporation. Plaintiff and Defendant are collectively referred to herein as the “Parties.”

This Agreement shall be binding on Plaintiff and the PAGA Settlement Employees that Plaintiff purports to represent and on Defendant Easter 263, Inc. subject to the terms and conditions hereof and the approval of the Court.

I. DEFINITIONS

The following terms, when used in this Agreement, shall have the following meanings:

1. “Action” or “PAGA Action” means the action entitled *Mikayla Huddleston v. Easter 263, Inc., et al.* filed by Plaintiff on March 4, 2021, with Superior Court of California for the County of Sacramento and designated Case No.: 34-2021-00295702-CU-OE-GD.
2. “Complaint” means the operative complaint in the Action.
3. “Court” means the Superior Court of California for the County of Sacramento.
4. “Defendant” means Easter 263, Inc., a California corporation.
5. “Effective Date” means the date the Court has signed an order approving the motion or joint stipulation of settlement for approval of this PAGA Settlement, and enters an order thereon.
6. “Gross Settlement Amount” represents the maximum total payment that Easter will pay for any reason under this Agreement, inclusive of attorney’s fees and costs to PAGA Counsel, administrative costs, the PAGA Penalty Fund and/or Individual PAGA Payments as defined herein.
7. “Individual PAGA Payment” means the amount to be paid to each PAGA Settlement Employee from the Residual PAGA Fund, with such individual shares to be calculated pro-rata based on the number of itemized wage statements issued to each PAGA Settlement Employee during the PAGA Period.
8. “LWDA” means the California Labor and Workforce Development Agency.
9. “LWDA Notice” means the correspondence dated February 4, 2020, LWDA Case No.: LWDA-CM-772294-20, through which Plaintiff gave notice via certified mail to Defendant and the LWDA of her intent to pursue the PAGA Action.
10. “Harman” means Harman Management Corporation, a Utah Corporation.

11. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code §§ 2698 *et seq.*

12. “PAGA Counsel” means The Spivak Law Firm and United Employees Law Group.

13. “PAGA Penalty Fund” means the net amount allocable to PAGA penalties under the Agreement, and represents the balance of the Gross Settlement Amount less attorney’s fees and costs to PAGA Counsel and administrative costs. The PAGA Penalty Fund shall be distributed to the LWDA and to the PAGA Settlement Employees as further set forth below in Section III.3.c.

14. “PAGA Period” means the time period from February 4, 2019 through September 14, 2020.

15. “PAGA Released Claims” means all claims for recovery of civil penalties under the Private Attorneys General Act, Labor Code section 2698, *et seq.*, based on the facts pled in the Action, including but not limited to allegations pertaining to failure to pay minimum wage, straight time wages, or overtime wages, failure to provide statutory meal and/or rest periods, waiting time penalties, penalties for non-compliant wage statements, failure to keep accurate payroll records, and failure to reimburse employees for reasonably incurred business expenses, and shall include penalties associated with Labor Code sections 201, 202, 203, 204, 206, 210, 225.5, 226, 226.3, 226.7, 510, 511, 512, 515, 558, 1174, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, and any amendments to any of these statutes, and any other California Labor Code provision which could have been pled based on the factual allegations in the Complaint and/or LWDA Notice.

16. “PAGA Settlement Employees” means all current and former non-exempt employees who worked for Easter 263, Inc. within the State of California at any time between February 4, 2019 and September 14, 2020.

17. “Parties” means Plaintiff Mikayla Huddleston and Easter 263, Inc.

18. “Plaintiff” means Plaintiff Mikayla Huddleston.

19. “Residual PAGA Fund” represents the 25% share of the PAGA Penalty Fund which will be distributed as Individual PAGA Payments to the PAGA Settlement Employees.

20. “Settlement Administrator” means CPT Group Inc., the third-party administrator retained by the parties to administer the settlement.

II. RECITALS

1. Plaintiff was employed by Easter 263, Inc. in California in a non-exempt position from approximately March 27, 2018 through May 26, 2019. Harman denies any employment relationship with Plaintiff.

2. On February 4, 2020, Plaintiff sent the LWDA Notice via electronic mail to the LWDA alleging claims under the PAGA against Defendant and Harman.

3. On March 4, 2021, Plaintiff filed the Action, for purposes of settlement only, against Defendant seeking to recover civil penalties on behalf of herself and other “aggrieved employees” pursuant to PAGA for alleged Labor Code violations. Defendant and Harman deny, and continue to deny, all of the allegations made by Plaintiff or that they are liable for any of the damages and/or civil penalties as alleged in the Action and/or LWDA Notice, respectively.

4. On or about September 14, 2020, the Parties engaged in mediation with Mediator Jeffrey Owensby, Esq. to resolve these claims. Prior to mediation, the Parties engaged in informal discovery related to the representative class. The Parties participated in a full-day mediation through which the Parties reached an agreement to fully and finally resolve the PAGA Action on the terms and conditions set forth in this Agreement. The Parties agreed that Huddleston would file the Action for purposes of this Court’s approval and the Parties’ settlement.

5. In furtherance of resolution of this PAGA, this Agreement is contingent upon Court approval. The termination of this Agreement, if any, is set forth fully in Section III.6.

6. Based on their own independent investigations and evaluations, the Parties, and their respective counsel, are of the opinion that the settlement for the consideration and on the terms set forth in this Agreement is fair, reasonable, and adequate and is in the best interests of the Plaintiff, the PAGA Settlement Employees, the State of California, and Defendant in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, PAGA Counsel believes that the settlement amount entered into is in the best interests of the PAGA Settlement Employees and that the settlement for each such PAGA Settlement Member is fair, reasonable, and adequate, given the inherent risk of litigation.

7. The purpose of this Agreement is to settle and compromise the Action and all PAGA Released Claims that Plaintiff and the PAGA Settlement Employees have against Defendant and the Released Parties (as defined in Section III.4.a below).

III. TERMS AND CONDITIONS OF AGREEMENT

1. Non-Admission. Nothing in this Agreement shall be construed to be an admission by Plaintiff that her claims do not have merit or by Defendant and/or Harman of any liability or wrongdoing as to Plaintiff, the PAGA Settlement Employees, or any other person. Defendant and Harman specifically deny any such liability or wrongdoing. The Parties have entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. Nothing in this Agreement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive

order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the settlement or any orders or judgments of the Court entered into in connection therewith.

2. Gross Settlement Amount and Due Dates. In consideration of the executed terms and conditions of the Agreement, , and conditioned upon the Court's approval of the settlement to ensure compliance with California Labor Code §§ 2699(k)(1)(2) and 2699(k)(1)(3), Easter agrees to pay the total maximum sum of **Forty Two Thousand Five Hundred and 00/100 Dollars (\$42,500.00)** as the Gross Settlement Amount.

3. Allocation of Gross Settlement Amount. The Parties agree to the following allocations to be paid from the Gross Settlement Amount:

a. Attorneys' Fees and Costs to PAGA Counsel: PAGA Counsel request payment of attorneys' fees in the amount of \$14,166.67(1/3 of the Gross Settlement Amount) and reimbursement of actual costs not to exceed \$3,000.00. Easter shall not oppose PAGA Counsel's request for attorneys' fees and costs up to these amounts. The Settlement Administrator will report this payment on IRS Form 1099. PAGA Counsel agrees to provide an executed W-9 form in advance of receipt of any payment. Should PAGA Counsel request a lesser amount for attorney's fees and costs and/or the Court approve a lesser amount, the difference shall be allocated to the PAGA Penalty Fund and distributed accordingly. Any attorney's fees and costs awarded to PAGA Counsel shall fully compensate and reimburse PAGA Counsel for any and all of the work already performed in connection with the Action and all work remaining to be performed in fully and finally resolving the Action, including but not limited to securing Court approval of the settlement, appearing at hearings, making sure that the settlement is fairly and properly administered, defending the settlement in any appeal or other post-approval matter, all other work that PAGA Counsel has performed or will perform, and all costs that PAGA Counsel has incurred or will incur in connection with the Action.

b. Administration Costs: Administration Costs shall include the cost of the Settlement Administrator to administer the settlement, in an amount not to exceed \$5,000; and

c. PAGA Penalty Fund: The remainder of the Gross Settlement Amount after deducting the items (a)-(b) herein shall be designated the PAGA Penalty Fund in settlement of the PAGA Released Claims. The PAGA Penalty Fund, estimated at approximately \$20,333.33, will be subject to Court approval consistent with Labor Code § 2699. Upon approval, the PAGA Penalty Fund shall be allocated as follows:

- (1) Seventy-Five Percent (75%), currently estimated at approximately \$15,250.00, will be paid to the LWDA, as required by Labor Code § 2699.

- (2) The remaining twenty-five percent (25%) currently estimated at approximately \$5,083.33, the “Residual PAGA Fund,” shall be distributed pro rata in Individual PAGA Payments to each of the PAGA Settlement Employees. These penalty settlement payments will be reported on IRS Form 1099s by the Settlement Administrator if required by law.

4. Release of Claims.

a. Release by PAGA Settlement Employees. Upon the approval by the Court of this Agreement, Plaintiff, the State of California and each PAGA Settlement Employee shall fully release and forever discharge Easter and Harman, and any restaurant corporation with a consulting agreement with Harman Management Corporation, and their respective present and former parents, subsidiaries, divisions, related or affiliated companies, joint ventures, shareholders, officers, directors, managers, agents, attorneys, insurers, reinsurers, successors and assigns (“the Released Parties”) from all PAGA Released Claims.

b. The Parties agree and acknowledge that the terms of settlement herein stated constitute a complete compromise of matters involving disputed issues of law and fact. Plaintiff expressly and voluntarily assumes the risk that the facts or law may be other than the Parties presently believe. It is understood and agreed by the Parties that the settlement is a compromise of disputed claims and that no portion of the terms of the settlement shall be construed as an admission of liability by a Party hereto.

5. Approval Stipulation. The Parties recognize that, in accordance with Labor Code § 2699(l), Court approval is required in the event of a settlement of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Court* (2009) 46 Cal.4th 969, the Parties are not obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement through a motion for preliminary or final approval. Instead, in order to comply with the requirements of Labor Code § 2699(l), the Parties shall submit a joint stipulation to the Court identifying the key terms of this Agreement and requesting that the Court approve the PAGA penalties (“Approval Stipulation”). The Approval Stipulation shall be filed with the Court within ten (10) days after this Agreement is executed by the Parties, unless otherwise agreed to between the parties in writing. If the Court requires a formally noticed motion in order to approve the terms of this Agreement, the Parties will cooperate in the preparation, filing, and service of such motion.

6. Termination of Agreement. The Settlement is contingent upon the approval by the Court. If the Court should fail to approve the allocation of the Gross Settlement Amount, including the amounts requested by PAGA Counsel for attorneys’ fees and costs and/or allocated to the PAGA Penalty Fund as reflected in this Agreement and agreed to by the Parties, the Parties agree to coordinate efforts to address the Court’s questions or concerns and resubmit the Approval Stipulation. If, after the Parties make a second attempt to obtain approval of the terms of the Settlement, the Court fails to approve this Agreement in the form agreed to by the Parties (except

for the amount of attorneys' fees or costs requested), or the Court's approval of this Agreement is reversed, modified, or declared or rendered void, then (i) this Agreement shall be considered null and void; (ii) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (iii) all Parties to this Agreement shall be deemed to have reverted to their respective positions as of September 14, 2020 (the dates of the Parties' mediation), without prejudice, as if the Agreement had been neither entered into nor filed with the Court. Invalidation of any material portion of this Agreement, except for the amount of attorney's fees and costs, shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

7. Administration of Settlement:

a. Administrator Duties. The Settlement Administrator will administer the settlement, the costs of which are estimated to not exceed Five Thousand Dollars and No Cents (\$5,000.00), and shall be paid from the Gross Settlement Amount. The Settlement Administrator shall be responsible for effectuating the settlement payment process, including compiling the PAGA Settlement Employee list from information provided by Easter, handling all mailings to PAGA Settlement Members, tracing undeliverable mailings, calculating Individual PAGA Payments, preparing and mailing disbursements, reporting payments to all required taxing and other authorities, distributing the Gross Settlement Amount to the appropriate persons and/or entities in the appropriate amounts, and other related tasks as mutually agreed to by the Parties.

b. Funding of Gross Settlement Amount. Within thirty (30) calendar days of the Effective Date, Easter shall remit to the Settlement Administrator the Gross Settlement Amount and provide the Settlement Administrator with a list of the following information for each PAGA Settlement Employee: name, last known address, and number of pay periods worked in a non-exempt position in California during the PAGA Period.

c. Disbursements. Within fifteen (15) days after receipt of the full Gross Settlement Amount, Settlement Administrator shall:

- (1) Release to PAGA Counsel the amounts approved by the Court for payment of Attorney's Fees and reimbursement of actual costs;
- (2) Disburse to itself payment for administration costs not to exceed Five Thousand Dollars and Zero Cents (\$5,000.00);
- (3) Disburse to the LWDA an amount equal to 75% of the PAGA Penalty Fund, as required by Labor Code § 2699;
- (4) Calculate and disburse Individual PAGA Payments to PAGA Settlement Employees, with each PAGA Settlement Employee receiving his/her pro rata value of the Residual PAGA Fund. Individual PAGA Payments shall be based on the number of itemized wage statements issued to each PAGA Settlement Employee in California in a non-exempt position

during the PAGA Period as compared to the total number of itemized wage statements issued to all PAGA Settlement Employees during the PAGA Period. Individual PAGA Payments shall be delivered along with the explanatory letter attached hereto as **Exhibit A**.

d. Checks will remain negotiable for one hundred eighty (180) days. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address or Social Security number of the PAGA Settlement Employee involved, and will then perform a single re-mailing. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than one hundred eighty (180) days after issuance will be tendered to the California Unclaimed Property Fund.

e. Accounting. Within thirty (30) days after receipt of the full Gross Settlement Amount, Settlement Administrator shall provide an accounting under penalty of perjury of the laws of the State of California to the Parties of the amounts disbursed.

d. Taxes. Plaintiff and the PAGA Settlement Employees acknowledge and agree that Easter, Harman, Defendant's counsel, the Released Parties, and PAGA counsel have made no representations to them regarding the tax consequences of the monies paid to them pursuant to this Agreement, and that they are hereby advised to seek advice regarding taxes from a tax professional. Plaintiff and the PAGA Settlement Employees agree to pay federal and state taxes, if any, which are required by law to be paid with respect to amounts paid to them pursuant to this Agreement. Plaintiff and the PAGA Settlement Employees will receive an IRS Form 1099 for the portion of the settlement paid directly to them. Plaintiff and each PAGA Settlement Employee bear full responsibility for the payment of any taxes or withholdings arising from the Individual PAGA Payments paid to Plaintiff or from the Residual PAGA Fund paid to the PAGA Settlement Employees. Plaintiff and the PAGA Settlement Employees agree that they will indemnify Defendant and any Released Parties for the full amount of such liability within thirty (30) days after receipt of notice from Defendant or any Released Parties of the assessment of such taxes, penalties, or interest.

8. No Publicity. The Parties agree that no party shall issue any press release to the news media or otherwise post on social media or the internet concerning the settlement or the litigation. Plaintiff agrees to notify Defendant in the event that any outside entity attempts to subpoena any of such documents.

9. Covenants and Representations by Plaintiff and Plaintiff's Counsel:

a. Plaintiff represents and warrants that she has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Agreement.

b. Plaintiff acknowledges that she has read this Agreement, that she fully understands her rights, privileges and duties under the Agreement, and enters this Agreement freely and voluntarily. Plaintiff further acknowledges that she has had the opportunity to consult with her attorneys to explain the terms of this Agreement and the consequences of signing this Agreement.

10. Confidentiality. Except to the extent necessary to effectuate and enforce the settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of the Individual Settlement Agreement and the negotiations leading up to it, confidential. Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website, social media, or otherwise publicize the settlement or communicate its terms in public or in private. To permit judicial review and approval of the PAGA Penalty Fund, as required by Labor Code § 2699, Plaintiff's Counsel shall file this Agreement with the Court and submit it to the LWDA. Plaintiff's Counsel may also discuss the settlement upon inquiry by PAGA Settlement Employees.

11. Drafting. The Parties agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that no Party shall be considered the "drafter" of this Agreement for purposes of having terms construed against that Party.

12. No Impact on Benefit Plans. Neither the Agreement nor any amounts paid to Plaintiff or any PAGA Settlement Employee under the Agreement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Easter, if any. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Agreement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Defendant's benefit plans, policies, or bonus programs. Easter retains the right, if necessary, to modify the language of their benefit plans, policies and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Agreement.

13. Successors. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

14. Costs and Fees. The parties shall each bear their own costs, attorneys' fees, mediator fees, and other fees incurred in connection with this Agreement and in connection with the Action, except as otherwise set forth specifically herein.

15. Governing Law. This Agreement shall be construed under and governed by the laws of the State of California. If any legal or equitable action or arbitration is necessary to enforce

the terms of this Agreement, it shall be brought in the State of California, County of Sacramento.

16. Continuing Jurisdiction and CCP 664.6. After approval of this settlement, and pursuant to Code of Civil Procedure section 664.6, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such other matters as may be appropriate under court rules or as set forth in this settlement.

17. Execution and Delivery. This Agreement may be executed and delivered in two or more counterparts, each of which when so executed and delivered shall be the original, but such counterparts together shall constitute but one and the same instrument. For purposes of this section, an executed facsimile copy or executed PDF copy of the Agreement may be “delivered” by one party to the other.

18. Cooperation. The Parties agree to do all things necessary and to execute all further documents necessary and appropriate to carry out and effectuate the terms and purposes of this Agreement.

19. Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement.

20. Severability. Should any provision of this Agreement be declared or be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining parts, terms or provisions shall not be affected, and the illegal, unenforceable, or invalid part, term, or provision shall be deemed not part of this Agreement.

21. Entire Agreement. This Agreement incorporates the entire understanding between the Parties concerning Plaintiff’s PAGA claims for civil penalties and recites the whole consideration for the promises exchanged herein. It fully supersedes any and all prior agreements or understandings, written or oral, between the Parties hereto pertaining to the subject matter hereof. The terms of this Agreement are contractual and not mere recitals. This Agreement may not be amended or modified in any respect whatsoever except by a writing duly executed by the Parties, and the Parties agree that they shall make no claim(s) at any time that this Agreement has been orally amended or modified.

22. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this settlement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys’ fees and costs, including expert witness fees incurred in connection with any enforcement actions.

23. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any confidentiality provisions that

otherwise might apply under any rules of mediation agreed to by the Parties and/or federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that she/it/they have read the foregoing Settlement Agreement, accept and agree to the provisions contained in this Agreement and hereby executes the Agreement voluntarily and with full understanding of its consequences.

PLAINTIFF:

Dated: 05 / 20 / 2021



Mikayla Huddleston

DEFENDANT:

Dated: _____

Easter 263, Inc.
By:
Its:

otherwise might apply under any rules of mediation agreed to by the Parties and/or federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that she/it/they have read the foregoing Settlement Agreement, accept and agree to the provisions contained in this Agreement and hereby executes the Agreement voluntarily and with full understanding of its consequences.

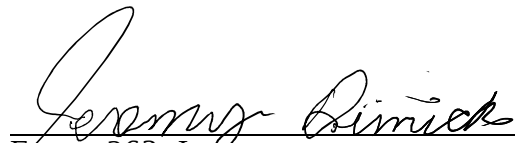
PLAINTIFF:

Dated: _____

Mikayla Huddleston

DEFENDANT:

Dated: 4/28/2021 _____


Easter 263, Inc.
By: Jeremy Dimick
Its: PRESIDENT

APPROVED AS TO FORM ONLY:

The Spivak Law Firm

Dated: 05 / 19 / 2021

By: 
David Spivak
Maralle Messrelian
Attorneys for Plaintiff

United Employees Law Group

Dated: May 20, 2021

By: 
Walter Haines
Attorneys for Plaintiff

EXHIBIT A

NOTICE OF PAGA SETTLEMENT

In Re: Mikayla Huddleston v. Easter 263, Inc., et al.,

(Superior Court of Sacramento County, Case No.: 34-2021-00295702-CU-OE-GD)

[Settlement Administrator info]

[]

[]

Telephone: []

«Barcode» «BarcodeString»

SIMID «SIMID»

«FirstName» «LastName»

«Address1» «Address2»

«City» «State» «Zip»

You are receiving this notice as a result of a lawsuit brought on a representative basis under the California Labor Code Private Attorneys General Act, Cal. Labor Code §§ 2698 *et seq.* (“PAGA”) (“the Action”). The plaintiff in the lawsuit is Mikayla Huddleston (“Plaintiff”) and the Defendant is Easter 263, Inc., a California corporation.

The Action seeks civil penalties for purported violations of the California Labor Code on behalf of all non-exempt employees who were employed by Easter 263, Inc. in California during the PAGA Period of February 2, 2019 through September 14, 2020.

It is important to note that Easter 263, Inc. denies all claims and allegations in the Action, denies that it owes any penalties, and asserts that it has fully complied with all applicable Labor Code provisions. Additionally, the Court has not rendered any decision as to the merits of this case. To avoid further time and expense in litigating the Action, the Parties have agreed to settle the case, and the Court has approved the settlement and release of claims. By settling the Action, Easter 263, Inc. does not admit any liability whatsoever, and expressly denies that they have done anything wrong.

The Settlement resolves all claims seeking civil penalties, attorney fees, and costs to the Labor and Workforce Development Agency (LWDA) or any agency acting under the authority of the LWDA under the California Labor Code predicated on the PAGA Claims that were alleged or could have been alleged against the Released Parties based on the facts and theories alleged in the Action, including, but not limited to all claims for civil penalties pursuant to PAGA for alleged violations of California Labor Code sections 201, 201.3, 202, 203, 204, 204.1, 204.2, 221, 226, 226.7, 510, 512, 1102.5, 1174, 1174.5, 1194, 1197, 1198, 2802, and any amendments to any of these statutes, or upon any claims for unpaid wages, issuance of improper wage statements, and failure to timely pay all wages due arising from employment by Easter 263, Inc. during the PAGA Period (the “PAGA Released Claims”).

By Order dated _____, 2021, the Sacramento County Superior Court approved the Settlement of the PAGA claims.

According to the Defendant's records, you are a PAGA Settlement Employee and are therefore entitled to a share of the settlement based upon the Court-approved allocation. Enclosed with this Notice is your check for your share. The settlement check shall remain valid for 120 days. Thereafter, all uncashed checks shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law for the benefit of the PAGA Settlement Employee who did not claim his or her property.

Please Note: One hundred percent (100%) of your Individual PAGA Payment under this Settlement will be considered civil penalties and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences of your Individual PAGA Payment. Neither Plaintiff nor Easter 263, Inc. have made any representations or warranties regarding the taxation of your Individual PAGA Payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended). Enclosed are the appropriate tax forms pertaining to your payment, if applicable.

If you have any questions, you may call or write to _____ (the Settlement Administrator) using the contact information at the top of this correspondence.

Do not call or write the Court or Office of the Clerk to ask questions about the settlement or to ask questions about the claims process.