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SUPERIOR COURT OF CALIFORNIA**FOR THE COUNTY OF LOS ANGELES**

JOSE ADOLFO CERON SALAZAR,
 RUBEN ESCARENO, AND RAFAEL
 CRUZ, individually and on behalf of other
 individuals similarly situated,

Plaintiff,

vs.

EAT GOOD STUFF, INC., a California
 corporation; CRIS BENNETT, an individual;
 and DOES 1 through 25, inclusive,

Defendants.

CASE NO.: 20STCV18761

*[Assigned to the Hon. David S. Cunningham,
 Dept. SSC11, for all purposes.]*

**SECOND AMENDED JOINT STIPULATION
 OF SETTLEMENT AND RELEASE OF ALL
 CLAIMS**

Complaint Filed: May 15, 2020

Trial Date: None

This Second Amended Joint Stipulation of Class Action Settlement and Release of Claims is made and entered into between Plaintiff Jose Adolfo Ceron Salazar, Ruben Escareno and Rafael Cruz ("Plaintiffs"), on behalf of themselves as individuals and on behalf of all class members as set forth herein, and Defendants Eat Good Stuff, Inc. and Cris Bennett ("Defendants"), who are Parties to the above-captioned litigation.

It is hereby stipulated and agreed, by and between the undersigned Plaintiffs and Defendants (collectively, "the Parties"), subject to approval of the Court, that the settlement of this action shall be effectuated upon and subject to the following terms and conditions:

I. DEFINITIONS

The following capitalized terms, when used in this Joint Stipulation of Settlement and Release, shall have the following meanings:

1. "Action" or "Instant Action" or "Lawsuit" shall mean the above-stated action, captioned as *Jose Adolfo Salazar et al. v. Eat Good Stuff, Inc. and Cris Bennett*, filed in the County of Los Angeles, Case No. 20STCV18761.

2. "Class Action Administrator" shall mean Simpluris whom the Parties have selected to administer this Settlement, or such other claims administrator as may be mutually designated by the Parties to this Agreement and approved by the Court. The Settlement Administrator will administer the settlement by *translating the Class Notice into Spanish*; distributing the Class Notice; performing an NCOA check; receiving, reviewing and tracking any Opt Out requests; adjudicating Class Members' and Eligible Aggrieved Employees' disputes over the Workweeks worked by Class Members and/or Eligible Aggrieved Employees; providing Class Counsel and counsel for Defendants with updates on the status (including Class Member names and percentages) of Opt Outs; handling inquiries about the calculation of the Individual Class Settlement Payments and Individual PAGA Settlement Payments; distributing Individual Class Settlement Payments, Individual PAGA Payments, and payments to other parties under the terms of the Stipulation; providing due diligence declarations for submission to

1 the Court, as needed; distributing notice of the final judgment to Class Members; and providing
2 Defendants' with the appropriate tax reporting documentation. The Class Action Administrator
3 will establish and maintain and use an internet website to post information of interest to Class
4 Members including the date, time and location for the Final Approval Hearing and copies of the
5 Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class
6 Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class
7 Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final
8 Approval and the Judgment. The Class Action Administrator will also maintain and monitor an
9 email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
10 The actions of the Settlement Administrator shall be governed by the terms of this Stipulation.
11 The Settling Parties, through their counsel, may provide written information needed by the
12 Settlement Administrator pursuant to the Stipulation.

13 3. "Class Action Administration Costs" shall mean the fees and expenses reasonably
14 and necessarily incurred by the Class Action Administrator as a result of performing the
15 settlement administration procedures and functions expressly required in this Agreement and
16 shall include all costs of administering the Settlement, including, but not limited to, all tax
17 document preparation, custodial fees, and accounting fees incurred by the Class Action
18 Administrator; all costs and fees associated with preparing, issuing and mailing any and all
19 notices and other correspondence to Settlement Class Members; all costs and fees associated
20 with computing, processing, reviewing, and paying the Settlement Payments, and resolving
21 disputed claims; all costs and fees associated with processing opt in requests from Settlement
22 Class Members; all costs and fees associated with performing necessary searches on notices
23 returned as undeliverable; all costs and fees associated with calculating tax withholdings and
24 payroll taxes and making related payments to federal state tax authorities and issuing tax forms
25 relating to payments made under the Settlement; all fees and costs associated with any other
26 payments to be made out of or into the Qualified Settlement Fund; all costs and fees associated
27 with preparing any tax returns and any other filings required by any governmental taxing
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1 authority or agency; all costs and fees associated with preparing any other notices, reports, or
2 filings to be prepared in the course of administering disbursements from the Qualified Settlement
3 Fund; and any other costs and fees incurred and/or charged by the Class Action Administrator in
4 connection with the execution of its duties under this Agreement. Based on the estimate and
5 quote provided to Plaintiff's counsel, Simpluris shall perform all anticipated class administration
6 duties for a fee not to exceed Thirteen Thousand Dollars (\$13,000).

7 4. "Class Members" and "Settlement Class Members" shall mean all individuals
8 who have been, or currently are, employed by Defendants as "non-exempt" during the Class
9 Period. Excluded from the Class are employees who work only administrative and managerial
10 functions as exempt employees. The Class Size consists of approximately 519 employees.

11 5. "Eligible Aggrieved Employees" shall mean all individuals who worked for
12 Defendants in California during the PAGA Period.

13 6. "Class Counsel" shall mean Young W. Ryu and Sarah H. Cohen of LOYR, APC.

14 7. "Class Notice" shall mean the written notice sent to Settlement Class Members
15 which explains the Agreement, the Settlement Class Members' rights and obligations and shall
16 be sent to the Settlement Class Members following preliminary approval of the Settlement. The
17 Class Notice shall, *inter alia*, explain the procedures for filing an objection to the Settlement, and
18 opting out of the Settlement. The proposed Class Notice is attached hereto as Exhibit 1.

19 8. "Class Period" shall mean May 15, 2016 through the Date of Preliminary
20 Approval.

21 9. "PAGA Period" means the period from May 15, 2019 to the Court's preliminary
22 approval of the settlement agreement.

23 10. "Class Representatives" or "Plaintiffs" are Jose Adolfo Salazar, Rafael Cruz and
24 Ruben Escareno.

25 11. "Released Class Claims" means the claims being released as described in
26 Paragraph 46 below

27 12. "Released PAGA Claims" means the claims being released as described in
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Paragraph 47 below.

13. “Court” shall mean the Superior Court of California for the County of Los Angeles.

14. “Date of Preliminary Approval” shall mean the date the Court enters an Order approving this Stipulation of Settlement, and the exhibits thereto, and setting a hearing for Final Approval of the Settlement, including approval of attorneys’ fees and costs.

15. “Date of Final Approval” shall mean the date on which the Court enters a Final Judgment in this matter which approves the terms and conditions of this Stipulation of Settlement, and the exhibits thereto; disposes of all issues and claims in this Action as to the Released Parties as provided in the Agreement; bars stipulated class members who have opted into this Settlement from asserting or reopening any claims settled or released through the releases contained herein; and awards and orders the payment of all required amounts pursuant to the terms of this Agreement, including attorneys' fees and costs, Class Action Administrator payments, Settlement Payments to Qualified Settlement Class Members, and Plaintiff’s Service Enhancement Payment.

16. “Defendants” shall mean EAT GOOD STUFF, INC and CRIS BENNETT.

17. “Defendants’ Counsel” shall mean James Artiano and Joanne Leighton of Artiano and Associates, APC.

18. “Effective Date” of this Stipulation means the first business day upon which the last of the following have occurred:

a. If Settlement Class Members have not filed objections, or if they have filed objections and said objections have been withdrawn, entry of the Final Judgment in this Action after the Court has granted final approval of the Settlement, and a file stamped copy of the Final Judgment with a proof of service has been served on all parties by Class Counsel, or

b. If Settlement Class Members have filed objections that have not been withdrawn, either (1) the time to appeal, object or attack the Court’s entry of

1 Final Judgment has expired and there has been no appeal, objection or attack;
2 or (2) The court of last resort to which any appeal is taken has affirmed its
3 entry of Final Judgment in its entirety or the Settlement Class Member has
4 presented a petition for review and the affirmance is no longer subject to
5 further appeal or review, and no further challenge to the entry of Final
6 Judgment is possible.

7 19. "Complaint" or "Operative Complaint" shall mean the Second Amended
8 Complaint in the above-stated action, captioned as *Jose Adolfo Salazar et al. v. Eat Good Stuff,*
9 *Inc.*, filed in the County of Los Angeles on June 15, 2021, Case No. 20STCV18761.

10 20. "Final Judgment" shall mean the order (or orders) entered and filed by the Court
11 that provides final approval to this Agreement and the Settlement; disposes of all issues and
12 claims in this Action as to the Released Parties as provided in the Agreement; bars Settlement
13 Class Members who have not validly opted out of this Settlement from asserting or reopening
14 any claims settled or released through the releases contained herein; and awards and orders the
15 payment of all required amounts pursuant to the terms of this Agreement, including attorneys'
16 fees and costs, Class Action Administrator payments, Settlement Payments to the Qualified
17 Settlement Class Members, and Plaintiff's Service Enhancement Payment.

18 21. "Maximum Settlement Amount" shall mean the sum of Four Hundred Fifty
19 Thousand Dollars and No Cents (\$450,000.00), which represents the maximum amount to be
20 paid for any purpose by Defendants under the terms of this Agreement. As provided in this
21 Agreement (including the release of claims), payment by Defendants of this sum pursuant to this
22 Agreement is intended to and shall settle all issues and claims encompassed within the Action as
23 between Plaintiffs, Stipulated Class Members, and Qualified Settlement Class Members on the
24 one hand, and as against Defendants and Released Parties on the other, including, but not limited
25 to, all payments to be made to Qualified Settlement Class Members, attorneys' fees approved by
26 the Court and awarded to Class Counsel, costs approved by the Court, Plaintiffs' Service
27 Enhancement Payment, and Class Action Administration Costs, and any other costs, expenses, or

obligations associated with this Settlement incurred or claimed by Stipulated Class Members, Plaintiffs, Class Counsel, or the Class Action Administrator. Under no circumstances shall Defendants be liable or responsible to Plaintiffs, Stipulated Class Members, Qualified Settlement Class Members, Class Counsel, the Class Action Administrator, or any other party or entity hereto, for any additional funds beyond the Maximum Settlement Amount of Four Hundred Fifty Thousand Dollars and No Cents (\$450,000.00) if this Settlement is given final approval by the Court.

22. “Net Settlement Amount” is the portion of the Maximum Settlement Amount eligible for distribution to the Qualified Settlement Class Members. This is the Maximum Settlement Amount minus Court-Approved Class Action Administration Costs, the 25% portion of PAGA penalties payable to Eligible Aggrieved Employees, attorneys’ fees and costs awarded to Class Counsel, Plaintiff’s Service Enhancement Payment.

23. All of Defendants’ payroll taxes shall be paid separately by Defendants in an amount separate from the Maximum Settlement Amount.

24. “Class Notice” shall mean the document attached hereto as **Exhibit 1**.

25. “Opt Out Period” shall mean a period of forty-five (45) calendar days from the date the Class Action Administrator mails the Settlement Documents to Settlement Class Members. If the forty-fifth day falls on a Sunday or holiday, the Opt Out Period shall end on the next business day that is not a Sunday or holiday.

26. “Parties” shall mean the parties to the Agreement, specifically, Plaintiffs, individually and on behalf of all Class Members, and Defendants.

27. “Party” shall mean either Plaintiffs or Defendants.

28. “Qualified Settlement Fund” shall mean the Qualified Settlement Fund established by the Class Action Administrator for the benefit of the stipulated class members as set forth herein.

29. “Qualifying Pay Periods” shall mean the number of weeks during the Class Period during which a Qualified Settlement Class Member worked a single shift by Defendants in

California. Time spent on vacation, leaves of absence, and sick time will not be counted as a day worked. Qualifying Pay Periods will be calculated by the Class Action Administrator based on information regarding the Settlement Class Member's length of employment within the relevant time period provided by Defendants. This information shall be treated as confidential.

30. "Qualified Settlement Class Member" shall mean a Settlement Class Member who has not timely and correctly submitted a request for exclusion to the Class Action Administrator.

31. "Qualified Settlement Class Member Settlement Amount" or "Qualified Settlement Class Member Settlement Payment" shall mean the total, gross amount due to a Qualified Settlement Class Member, which shall be calculated pursuant to the terms of this Agreement.

32. "Released Parties" shall mean Defendants EAT GOOD STUFF, INC and CRIS BENNETT, non-parties CB STUFF, INC.; ITS NOT JUST A RESTAURANT, INC.; GS SURFSIDE, INC., and their past, present, and future parents, affiliates, subsidiaries, divisions, predecessors, successors, partners, joint ventures, affiliated organizations, insurers and assigns, and each of their past, present and future officers, directors, trustees, agents, employees, attorneys, contractors, representatives, partners, joint ventures, benefit plans sponsored or administered by Defendants, divisions, units, branches and other persons or entities acting on their behalf and any other individual or entity that could be jointly and/or severally liable with any of the foregoing based on any theory of law, equity, or otherwise.

33. "Settlement Class Members" shall mean each person eligible to participate in this Settlement who is a member of the Class defined above.

34. "Settlement Payment" shall mean the payment due to a Qualified Settlement Class Member, which shall be calculated pursuant to the terms of this Agreement as part of the Settlement of the Action.

35. "Service Enhancement Payment" shall mean amount of Ten Thousand Dollars ("10,000.00") for Class Representative Jose Ceron Salazar, and Five Thousand Dollars each

1 (\$5,000.00) for Class Representatives Rafael Cruz and Ruben Escareno in exchange for a general
2 release and full waiver of any and all claims.

3 36. “Stipulation of Settlement,” “Stipulation,” “Settlement Agreement,” “Settlement”
4 and “Agreement” each shall mean this Second Amended Joint Stipulation of Settlement and
5 Release.

6 **II. DESCRIPTION OF THE LITIGATION**

7 37. On or about May 15, 2020, Plaintiff Jose Adolfo Salazar filed a class action
8 lawsuit against Defendants in the Superior Court for the State of California, in and for the
9 County of Los Angeles, Case Number 20STCV18761, alleging 1) Failure to Compensate All
10 Hours Worked in Violation of Industrial Welfare Commission Order No. 5 and Cal. Labor Code
11 §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Meal and Rest Breaks in Violation of
12 Cal. Labor Code §§ 226.7, 512, 558 and 1198; (3) Failure to Pay All Accrued and Vested
13 Vacation/PTO Wages in Violation Of Cal. Labor Code § 227.3; (4) Failure to Provide Proper
14 Wage Statements in Violation Of Cal. Labor Code § 226; (5) Failure to Pay Compensation Upon
15 Termination of Employment in Violation of Cal. Labor Code §§ 201-203; (6) Violation of Cal.
16 Labor Code §§ 2698 *et. seq.* (“PAGA”); and (7) Violations of Cal. B&P Code §§ 17200, *et seq.*

17 38. Plaintiffs seek to represent a putative class of all current and former non-exempt
18 employees employed by Defendants in California on or after May 15, 2016 through the Date of
19 Preliminary Approval.

20 **III. POSITIONS OF THE PARTIES**

21 39. The Parties conducted formal investigations regarding the instant matter.
22 Plaintiffs were provided information regarding the work performed by the Settlement Class as
23 well as Defendants’ policies and practices regarding compensation, meal and rest periods, and
24 timekeeping procedures. Additionally, at Class Counsel’s request, Defendants produced the
25 rates of pay, dates of hire and termination of employment for all Settlement Class Members,
26 which both Parties reviewed. Defendants took Plaintiff Salazar’s deposition on February 16,
27 2021. The discovery yielded valuable information to the Plaintiffs for purposes of determining
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1 the viability of class certification, liability, and the amount of damages in controversy.

2 40. Defendants deny Plaintiffs' claims in their entirety. Defendants do not believe
3 that any liability to Plaintiffs or Settlement Class Members exists, or that Plaintiffs or Settlement
4 Class Members are entitled to any recovery, on a legal or factual basis. Defendants contend,
5 among other things, that it has complied at all times with the California Labor Code, the
6 California Wage Orders, and all applicable California state and federal laws. In addition,
7 Defendants contend that Plaintiffs' claims are not suitable for class or representative action
8 treatment. Nothing in this Stipulation of Settlement shall be construed to be or deemed an
9 admission by Defendants of any liability, culpability, negligence, or wrongdoing toward the
10 Class Representative, the Settlement Class Members, or any other person, and Defendants
11 specifically disclaim any liability, culpability, negligence, or wrongdoing toward the Class
12 Representative, the Settlement Class Members, or any other person, and further denies that class
13 certification or representative action treatment is appropriate.

14 41. On December 20, 2021, the Parties participated in full-day mediation with
15 mediator Steven Serratore, Esq. via Zoom. No settlement offers were exchanged or discussed by
16 the Parties prior to engaging in mediation. The mediation resulted in a final settlement between
17 the Parties. All of the terms of the Parties' settlement are contained within this Stipulation of
18 Settlement. At all times, the Parties' settlement negotiations have been non-collusive,
19 adversarial, and held entirely at arm's length.

20 42. Discussions between counsel for the Parties, discovery, as well as the Parties'
21 own investigation and evaluation of Plaintiffs' claims, have permitted each side to fully assess
22 the relative merits of the claims and the defenses to those claims. The Parties agree that the
23 above-described investigation and evaluation, as well as the information exchanged during
24 settlement negotiations and mediation, are more than sufficient to assess the merits of the
25 respective Parties' positions and to compromise the issues on a fair and equitable basis. Based
26 on their own independent investigations and evaluations, and considering the representative and
27 class claims and the risk of loss, Class Counsel is of the opinion that the consideration and terms

1 of the Settlement as set forth below are fair, reasonable, and adequate in light of all known facts
2 and circumstances, and are in the best interests of the Class as a whole. Class Counsel is also of
3 the opinion that the total consideration and payment set forth in this Stipulation of Settlement is
4 adequate in light of the uncertainties surrounding the risk of further litigation, and the possible
5 defenses and offset claims that Defendants has asserted and could assert.

6 43. Defendants and their counsel have similarly concluded that there are benefits
7 associated with settling this Action at this early stage, in lieu of further litigation. After taking
8 into account the sharply-disputed factual and legal issues involved in the Action, the expense and
9 burden of protracted litigation, the uncertainty and risk associated with litigation, and
10 Defendants' desire to put the controversy to rest and avoid incurring further costs in connection
11 with defending the Action, Defendants believe that settlement on the terms set forth in this
12 Agreement is in its best interest and is fair and reasonable. Without admitting or conceding
13 liability or damages, Defendants have entered into this Agreement to fully, finally, and forever
14 resolve this litigation and bar further litigation from the Settlement Class on the terms and
15 conditions set forth in this Agreement.

16 NOW THEREFORE, in consideration of the recitals listed above and the promises,
17 releases, and warranties set forth below, and intending to be legally bound and acknowledging
18 the sufficiency of the consideration and undertakings set forth herein, Plaintiffs, individually and
19 on behalf of the Settlement Class Members, on the one hand, and Defendants, on the other hand,
20 agree that the Action shall be, and is finally and fully compromised and settled, on the terms and
21 conditions contained in this Agreement, as more fully set forth below.

22 IV. **RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the entire
23 Maximum Settlement Amount and fund all of the employer's portion of payroll taxes owed on
24 the Wage Portion of the individual class payments, Plaintiffs, Class Members, and Class Counsel
25 will release claims against all Released Parties as follows:

26 44. **Plaintiffs' Release.** Plaintiffs and their respective former and present spouses,
27 representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release
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1 and discharge Released Parties from all claims, transactions, or occurrences that occurred during
2 the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have
3 been, alleged, based on the facts contained, in the operative Second Amended Complaint and (b)
4 all PAGA claims that were, or reasonably could have been, alleged based on facts contained in
5 the Operative Complaint, and Plaintiffs' PAGA Notice. Plaintiffs' Release does not extend to
6 any claims or actions to enforce this Agreement, or to any claims for vested benefits,
7 unemployment benefits, disability benefits, social security benefits, workers' compensation
8 benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs
9 acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts
10 or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs'
11 Release shall be and remain effective in all respects, notwithstanding such different or additional
12 facts or Plaintiffs' discovery of them.

13 45. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For
14 purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights,
15 and benefits, if any, of section 1542 of the California Civil Code, which reads:

16 A general release does not extend to claims that the creditor or releasing party
17 does not know or suspect to exist in his or her favor at the time of executing the
18 release, and that if known by him or her would have materially affected his or her
settlement with the debtor or Released Party.

19 46. Release by Qualified Settlement Class Members Who Are Not Eligible
20 Aggrieved Employees: All Qualified Settlement Class Members, on behalf of themselves and
21 their respective former and present representatives, agents, attorneys, heirs, administrators,
22 successors, and assigns, release Released Parties from (i) all claims that were alleged, or
23 reasonably could have been alleged, based on the Class Period facts stated in the operative
24 Second Amended Complaint including, 1) Failure to Compensate All Hours Worked in
25 Violation of Industrial Welfare Commission Order No. 5 and Cal. Labor Code §§ 200, 226,
26 500, 510, 1194, 1197, and 1198; (2) Missed Meal and Rest Breaks in Violation of Cal. Labor
27 Code §§ 226.7, 512, 558 and 1198; (3) Failure to Pay All Accrued and Vested Vacation/PTO
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1 Wages in Violation Of Cal. Labor Code § 227.3; (4) Failure to Provide Proper Wage
2 Statements in Violation Of Cal. Labor Code § 226; (5) Failure to Pay Compensation Upon
3 Termination of Employment in Violation of Cal. Labor Code §§ 201-203; and (6) Violations
4 of Cal. B&P Code §§ 17200, *et seq.* Except as set forth in Paragraph 47 of this Agreement,
5 Qualified Settlement Class Members do not release any other claims, including claims for
6 vested benefits, wrongful termination, violation of the Fair Employment and Housing Act,
7 unemployment insurance, disability, social security, workers' compensation, or claims based
8 on facts occurring outside the Class Period.

9 47. Release by Non-Qualified and Qualified Settlement Class Members Who Are
10 An Eligible Aggrieved Employee: All Non-Qualified and Qualified Settlement Class Members
11 who are an Eligible Aggrieved Employee are deemed to release, on behalf of themselves and
12 their respective former and present representatives, agents, attorneys, heirs, administrators,
13 successors, and assigns, the Released Parties from all claims for PAGA penalties that were
14 alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the
15 operative Second Amended Complaint, and the PAGA Notice.

16 **V. CLASS CERTIFICATION FOR SETTLEMENT PURPOSES**

17 48. Non-Admission. This Stipulation of Settlement, and any related Court documents
18 or orders, may not be cited, construed, or otherwise admitted as evidence of prior acts, liability,
19 culpability, negligence, or wrongdoing on the part of the Released Parties, or that class
20 certification or representative action treatment is appropriate or legally available. There has been
21 no preliminary or final determination by any court as to the merits of the claims asserted by
22 Plaintiffs against Defendants or as to the arbitrability of any such claims or whether a class
23 should be certified, other than for the purposes of settlement. Defendants deny all of the
24 Plaintiffs' individual claims, as well as Plaintiffs' class allegations, as to liability and damages.
25 Defendants do not waive, but rather expressly reserves, all rights to challenge all such claims and
26 allegations upon all available procedural and substantive grounds, including the assertion of any
27 and all defenses, should this Settlement not be consummated.

1 49. Conditional Certification of the Settlement Class. Solely for the purpose of
2 effectuating settlement of all class claims that have been or could have been asserted in the
3 Action, the Parties stipulate to the *conditional* certification of the Settlement Class as defined
4 herein. As set forth in the provisions below, the certification for settlement purposes and all
5 terms of this Settlement are null and void *ab initio* and shall be of no force or effect whatsoever,
6 and shall not be referred to or utilized for any purpose whatsoever, if this Settlement is not
7 approved by the Court, or in the event that any such judgment does not become final for any
8 reason, or in the event that the Effective Date, as defined herein, does not occur.

9 50. Appointment of Plaintiff's Counsel As Settlement Class Counsel. Subject to the
10 Court's approval, the Parties further stipulate that, for settlement purposes only, the LOYR,
11 APC, and more specifically, Young W. Ryu and Sarah H. Cohen may be appointed as Class
12 Counsel, and that Plaintiffs Jose Adolfo Salazar, Rafael Cruz and Ruben Escareno may be
13 appointed as the Class Representatives. Such agreement does not constitute a waiver of any and
14 all defenses or arguments Defendants may assert as to such appointment of counsel, if this
15 Settlement is not approved by the Court, or in the event that any such judgment does not become
16 final for any reason, or in the event that the Effective Date, as defined herein, does not occur.

17 **VI. SETTLEMENT FUNDS, CLAIM PROCESSING, AND SETTLEMENT PAYMENT**
18 **CALCULATION**

19 51. Two Payments of the Maximum Settlement Amount. Defendants shall deposit
20 with the Class Action Administrator the amount of Four Hundred Fifty Thousand, Dollars and
21 No Cents (\$450,000.00) as the Maximum Settlement Amount to resolve the Action on a class-
22 wide basis. Such deposit of the Maximum Settlement Amount shall be made by way of: (1) Two
23 Hundred Fifty Thousand Dollars and No Cents (\$250,000.00) to be deposited with the Class
24 Administrator within 60 calendar days from the date of the Final Approval Order; and (2) The
25 rest of Two Hundred Thousand Dollars No Cents (\$200,000.00) shall be deposited with the Class
26 Administrator within 120 calendar days from the date of the Final Approval Order.

27 52. The Class Action Administrator shall then deposit both payments into an interest-
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1 bearing account, which interest (if any) shall be included in the payments to be made to the
2 Qualified Settlement Class Members. This is a non-reversionary settlement. The Parties agree
3 to the following allocations to be paid from the Maximum Settlement Amount, subject to Court
4 approval:

5 a. Defendants will not oppose Class Counsel's application to the Court for up to
6 one-third (1/3) or One Hundred Fifty Thousand Dollars (\$150,000.00) of the
7 Maximum Settlement Amount for attorneys' fees. Plaintiff's requested
8 attorneys' fees will be subject to the approval of the Court.

9 b. Defendants will not oppose Class Counsel's application to the Court for up to
10 Eighteen Thousand Dollars (\$18,000.00) in reimbursement of all reasonable
11 and documented out-of-pocket litigation costs and expenses related to the
12 Action incurred by Class Counsel. Plaintiffs' requested costs and expenses
13 shall be subject to the approval of the Court. Any award of attorneys' fees and
14 costs shall include and satisfy all past and future fees and costs incurred to
15 prosecute, settle and administer the Action and this Settlement Agreement,
16 including obtaining the Final Approval Order and Judgment.

17 c. Defendants will not oppose Class Counsel's application to the Court for a
18 Service Enhancement Payment to the Class Representatives in the gross
19 amount of Ten Thousand Dollars ("10,000.00") for Class Representative Jose
20 Ceron Salazar, and Five Thousand Dollars each (\$5,000.00) for Class
21 Representatives Rafael Cruz and Ruben Escareno, in consideration for their
22 full release of all claims and for their efforts in instituting and participating in
23 the Action. Plaintiffs' request for and the amount of the Service Enhancement
24 Payment shall be subject to the approval of the Court.

25 d. Class Action Administration Costs, not to exceed Thirteen Thousand Dollars
26 (\$13,000.00), will be paid to Simpluris from the Maximum Settlement
27 Amount. The Class Action Administration Costs and the Class Action
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1 Administrator shall be subject to the approval of the Court. All disputes
2 relating to the Claim's Administrator's performance of its duties shall be
3 referred to the Court, if necessary, which shall have continuing jurisdiction
4 over the terms and conditions of the Settlement until all payments and
5 obligations contemplated by the Settlement have been fully satisfied and
6 carried out.

7 e. All taxes, penalties and interest that are or may be due from any party on the
8 Maximum Settlement Amount paid by Defendants herein.

9 f. Twenty Thousand Dollars (\$20,000.00) shall be allocated as PAGA Penalty. It
10 will be paid to the Labor & Workforce Development Agency (LWDA) in
11 consideration for a full and complete release of any claim that penalties may
12 be owed pursuant to PAGA for the alleged violations of the Labor Code that
13 were or could have been asserted in the Action. Fifteen Thousand Dollars
14 (\$15,000.00), which represents the LWDA's 75 percent share of the Twenty
15 Thousand Dollars (\$20,000.00) of the settlement claim allocated under
16 California Labor Code section 2698 et seq., in satisfaction of any claim for
17 penalties that may be owed to that agency under PAGA. The remaining 25
18 percent share, Five Thousand Dollars (\$5,000.00), will be distributed equally
19 among the Eligible Aggrieved Employees in an amount separate from the Net
20 Settlement Amount. Any Class Member who submits an Opt-Out will remain
21 bound by the PAGA portion of the settlement to the extent the Class Member
22 also is an Eligible Aggrieved Employee and will still receive an individual
23 PAGA settlement payment for this portion.

24 53. The Parties agree that, over and above the Court-approved attorneys' fee awarded,
25 each of the Parties, including all stipulated class members, shall bear their own fees and costs,
26 including, but not limited to, those relative to the investigation, filing, prosecution or settlement
27 of the Action; the negotiation, execution, or implementation of this Stipulation; and/or the
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process of obtaining, administering or challenging a certification order and/or final approval. Neither Plaintiffs, nor any other stipulated class member, shall seek payment of attorneys' fees or reimbursement of costs or expenses from Defendants other than as expressly set forth in this Stipulation.

54. The Parties agree that the Settlement Agreement shall remain binding even if the Court does not approve the full amount of attorneys' fees, litigation costs and expenses, Service Enhancement Payment, Class Action Administration Costs and taxes, penalties or interest set forth above. The Agreement shall remain binding with any such Court-ordered modification(s) pursuant to this paragraph and its terms will otherwise remain unchanged. Any Court-ordered reduction in the attorneys' fees, litigation costs and expenses, Service Enhancement Payment, Class Action Administration Costs or taxes, penalties and interest shall be added to the Net Settlement Amount.

55. Tax Treatment. For tax purposes, Qualified Settlement Class Members shall be responsible for the proper payment of taxes on all Qualified Settlement Class Member Settlement Payments except that all employee deductions (including taxes on any payments attributable to wages) shall be deducted from any Qualified Settlement Class Members' Settlement Payments hereunder as required by law. The Parties agree that the amount of monies attributable to wages shall be ten percent (10%) of any pay-out of net settlement proceeds per Qualified Settlement Class Member with forty-five percent (45%) attributed to penalties and the remaining forty-five percent (45%) attributable to interest). Defendants are not responsible for any tax consequences regarding the allocation of the settlement payments. The Class Representatives and Qualified Settlement Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement. An IRS Tax Form W-2 will be issued to each Qualified Settlement Class Member with regard to the portion of the Qualified Settlement Class Member Settlement Payments attributable to wages and an IRS Tax Form 1099 will be issued to each Qualified Settlement Class Member with regard to the remaining portion of the Qualified Settlement Class Member Payments. An IRS Tax Form 1099

1 shall be issued to Class Counsel at the appropriate time in the amount of attorneys' fees and costs
2 paid to Class Counsel.

3 56. Class Representatives are Presumed a Qualified Settlement Class Member. The
4 Class Representatives shall automatically be deemed a Qualified Settlement Class Member.

5 57. Binding Effect of Agreement on Qualified Class Members. Upon the Effective
6 Date, all Qualified Settlement Class Members shall be bound by this Agreement, however the
7 Qualified Settlement Class Member Released Claims and the Released Claims shall not be
8 released as against the Defendants and the Released Parties until a final payment of the
9 Maximum Settlement Amount. All Settlement Class Members who do not opt out of the
10 Settlement as described in this Agreement shall be barred from pursuing, or seeking to reopen,
11 any Released Claims against the Defendants and the Released Parties.

12 58. Calculation of Settlement Payments. The Class Action Administrator will
13 calculate pro rata Settlement Payments to Qualified Settlement Class Members from the Net
14 Settlement Amount based on each Qualified Settlement Class Member's Qualifying Pay Periods
15 as reflected on Defendants' internal records as set forth in this paragraph. The Parties agree that
16 the following formulas for allocating the Settlement Payments provided herein are reasonable
17 and that the Settlement Payments provided herein are designed to provide a fair settlement to the
18 Class:

- 19 a. The number of Qualifying Pay Periods that each Qualified Settlement
20 Class Member was employed shall be determined;
- 21 b. The number of Qualifying Pay Periods that all Qualified Settlement Class
22 Members were employed shall be aggregated;
- 23 c. The percentage obtained by dividing the number of Qualifying Pay
24 Periods for an individual Qualified Settlement Class Member by the
25 aggregate of all Qualifying Pay Periods for all Qualified Settlement Class
26 Members shall be used to calculate that individual Qualified Settlement
27 Class Member's relative share of the Net Settlement Amount.

d. The Parties hereby agree that the formula for allocating to the Settlement Payments provided herein is reasonable and that the settlement payments provided herein are designed to provide a fair settlement to the Stipulated Class, despite the uncertainties associated with the amounts alleged to be owed.

59. Distribution of Settlement Payments. If and when the Effective Date occurs, the Class Action Administrator shall prepare a final list of all Qualified Settlement Class Members. For each Qualified Settlement Class Member on this list, the Class Action Administrator will calculate the amounts due to each Qualified Settlement Class Member and issue checks payable to said Qualified Settlement Class Member. The Settlement Payments made to Qualified Settlement Class Members under this Agreement shall not be utilized to calculate any additional benefits under any benefit plans to which any Qualified Settlement Class Member may otherwise be eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, paid time off plans, and any other benefit plan.

VII. PRELIMINARY APPROVAL, FINAL SETTLEMENT HEARING, AND TERMINATION OF SETTLEMENT

60. Preliminary Court Approval of the Settlement. Within thirty (30) calendar days following execution of this Settlement Agreement, Plaintiffs shall be responsible for requesting the Court to set a date for Preliminary Approval. Plaintiffs shall be responsible for drafting and filing the Motion for Preliminary Approval and proposed Order. The Motion for Preliminary Approval shall request an Order that shall:

- a. Preliminarily approve the proposed Settlement and this Agreement;
- b. Conditionally certify the Settlement Class pursuant to the California Code of Civil Procedure for the sole purpose of effectuating this settlement;
- c. Approve the plan for provision of notice to Stipulated Class Members under this Agreement, including the form of the Class Notice;

e. Approve the procedure for Stipulated Class Members to object to the Settlement, including setting a deadline for Stipulated Class Members to submit such objections; and

f. Schedule the Final Settlement Hearing for final approval of this Settlement and entry of the Final Judgment.

61. Final Court Approval of the Settlement. Plaintiffs shall be responsible for preparing and filing the Motion for Final Approval of the Settlement within thirty (30) business days following the conclusion of the Notice Period. Plaintiffs shall also be responsible for preparing and filing Class Counsel's application for attorney fees, reimbursement of litigation costs, and Plaintiff's Service Enhancement Payment. Prior to the Final Approval hearing by the Court, Plaintiffs will submit proposed Final Order(s): (a) certifying the Class for settlement purposes only; (b) finding the settlement fair, reasonable, and in the best interests of the Stipulated Class Members; (c) approving Class Counsel's application for an award of attorneys' fees and litigation costs; (d) approving the Class Representative's application for a Service Enhancement Payment; (e) approving payment of Class Action Administration fees; and (f) entering judgment in accordance with this Settlement.

62. Coordination of Counsel's Efforts. Defendants shall not oppose Plaintiffs' Motions for Preliminary Approval and Final Approval of the Settlement, provided such motions and related materials support and are consistent with the terms of this Agreement as set forth herein.

63. Right to Revoke, Termination, or Other Failure of Settlement. Either Party has the right in its sole and exclusive discretion to terminate and withdraw from the Settlement at any time prior to the Date of Final Approval if any of the following occur: (a) the Court does not certify the Stipulated Settlement Class as described herein, or does not certify a class releasing all of the Qualified Settlement Class Member Released Claims, the Released Claims, and/or the Class Representative Released Claims as defined herein or otherwise makes an order inconsistent with any of the terms of this Settlement Agreement; (b) the Court does not grant preliminary or

1 final approval of the Settlement in accordance with its terms. Recovery of attorneys' fees and
2 costs by Class Counsel and an enhancement award to the Plaintiffs are terms of this Agreement,
3 but the allowance or disallowance by the Court of an award of attorneys' fees and/or costs and/or
4 the enhancement award to the Plaintiffs are not part of this Settlement, and will be considered by
5 the Court separately from the Court's consideration of the fairness, reasonableness, adequacy and
6 good faith of this Settlement to the Settlement Class ; (c) the Court does not enter the Final
7 Judgment; (d) Defendants exercises its option to terminate the Settlement; or (e) the Effective
8 Date does not occur or the Settlement does not become final for any other reason. If, for any
9 reason, the Settlement is not approved by the Court, or if a Party terminates and withdraws from
10 the Settlement pursuant to this paragraph, this Settlement Agreement and any related settlement
11 documents shall be null and void, and any class certified for settlement purposes will be vacated
12 and any other order entered by the Court in furtherance of this Settlement shall be treated as void
13 *ab initio*. In such an event, the Parties shall return to the status quo as if the Parties had not
14 entered into this Settlement, and this Agreement, all negotiations, Court orders, and proceedings
15 relating thereto shall be without prejudice to the rights of the Parties hereto, and all evidence
16 relating to the Settlement and all negotiations shall not be admissible, discoverable, or otherwise
17 used in the Action, in any other litigation, or otherwise. Any funds (including the Maximum
18 Settlement Fund) used or to be used for the Settlement, including for claims administration costs
19 and fees, Plaintiff's Service Enhancement Payment, Class Counsel's attorneys' fees and costs,
20 and Settlement Payments, and any interest accrued thereon shall be returned to Defendants, and
21 the Parties shall be restored to their positions as though this Agreement had never been executed,
22 with the exception of Class Action Administration Costs already incurred before the Settlement
23 is voided or otherwise not effectuated. In such event, for Class Action Administration Costs
24 incurred prior to the date the Settlement is voided or otherwise not effectuated, the Class Action
25 Administrator shall be paid equally by each of the Parties for its reasonable costs incurred to the
26 date the Settlement was voided or otherwise not effectuated. The terminating Party shall give to
27 the other Party (through its counsel) written notice of its decision to terminate within ten (10)
28 business days after receiving notice that one of the enumerated events has occurred.

64. Defendants' Termination Right and Option. Notwithstanding any other provision of this Settlement, Defendants shall have the sole and exclusive option (but not the obligation), in the exercise of its sole discretion, to terminate or cancel the Settlement if Ten Percent (10%) or more of the Settlement Class Members opt-out and fail to become Qualified Settlement Class Members, and in such event, the Parties shall be restored to their respective positions in all respects as though the contemplated settlement never occurred. In the event of such a termination, no party may use the fact that the Parties agreed to settle or the terms provided herein as an admission, as evidence, or for any other purpose, including, without limitation, to prove any liability or the amount of any sum allegedly owed by any Party. Defendants will have until the date of the Final Approval Hearing to terminate or rescind the Settlement under this paragraph.

65. Termination of Settlement Agreement. If the conditions of the Settlement set forth in this Settlement Agreement are not satisfied, or if either Party terminates and withdraws from the Settlement, or if the Court does not enter judgment consistent with this Stipulation, or if appellate review is sought and on such review the Court's decision is materially modified or reversed, or, if one or more of the terms of the Settlement is not approved or the Settlement with respect to one or more such terms is materially modified or reversed, then this Settlement shall be canceled, terminated, and shall have no force or effect. If a Final Approval Order does not occur, or if this Settlement is terminated, revoked, or canceled pursuant to its terms, the Parties to this Settlement shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement.

VIII. CLASS ACTION ADMINISTRATION

66. Selection and Compensation of Class Action Administrator. The Parties agree to jointly utilize third-party Class Action Administrator, Simpluris, to give notice of and communicate with Settlement Class Members regarding the Settlement. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the

1 Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class
2 Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class
3 Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final
4 Approval and the Judgment. The Administrator will also maintain and monitor an email address
5 and a toll-free telephone number to receive Class Member calls, faxes and emails. Based on the
6 estimate and quote provided to Plaintiff's counsel, Simpluris shall perform all anticipated class
7 administration duties for a fee not to exceed Thirteen Thousand Dollars and No Cents
8 (\$13,000.00). If the actual cost of Class Action Administration is less than the amount approved
9 by the Court, those funds shall be added to the Net Settlement Amount for allocation to
10 Stipulated Class Members. All costs associated with Class Action Administration shall come out
11 of the Maximum Settlement Amount.

12 67. Establishment and Funding of the Qualified Settlement Fund ("QSF"). The
13 Qualified Settlement Fund shall be established at a federally-insured bank that is acceptable to
14 Defendants and the Class Action Administrator. The Parties agree that the Qualified Settlement
15 Fund is intended to be a "Qualified Settlement Fund" under section 468B of the Code and Treas.
16 Reg. §1.468B-1, 26 CFR § 1.468B-1, et seq., and will be administered by the Class Action
17 Administrator as such. With respect to the Qualified Settlement Fund, the Class Action
18 Administrator shall: (1) open and administer a Settlement Account in such a manner as to
19 qualify and maintain the qualification of the Qualified Settlement Fund as a "Qualified
20 Settlement Fund" under Section 468B of the Code and Treas. Reg. §1.468B-1; (2) calculate,
21 withhold, remit and report each Qualified Settlement Class Member's share of applicable payroll
22 taxes (including, without limitation, federal, state and local income tax withholding, FICA,
23 Medicare and any state or local employment taxes), and indemnify Defendants for any penalty
24 arising out of any error or incorrect calculation and/or interest with respect to any late deposit of
25 the same; (3) calculate, withhold, and cooperate with Defendants to remit and to permit
26 Defendants to report applicable taxes (including, without limitation, federal, state and local
27 income tax withholding, FICA, Medicare, unemployment insurance, employment training tax,
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1 state disability insurance and any state or local employment taxes), and indemnify Defendants
2 for any penalty arising out of any error or incorrect calculation and/or interest with respect to the
3 same; (4) satisfy all federal, state and local income and other tax reporting, return, and filing
4 requirements with respect to the Qualified Settlement Fund and any interest or other income
5 earned by the Qualified Settlement Fund; and (5) satisfy out of the Qualified Settlement Fund all
6 (i) taxes (including any estimated taxes, interest or penalties) with respect to the interest or other
7 income earned by the Qualified Settlement Fund, if any, and (ii) fees, expenses and costs
8 incurred in connection with the opening and administration of the Qualified Settlement Fund and
9 the performance of its duties and functions as described in this Agreement. The aforementioned
10 taxes, fees, costs and expenses shall be treated as and included in the costs of administering the
11 Qualified Settlement Fund and as Class Action Administration Costs. The Parties and the Class
12 Action Administrator shall treat the Qualified Settlement Fund as coming into existence as a
13 Qualified Settlement Fund on the earliest date permitted as set forth in 26 CFR §1.468B-
14 1(j)(2)(i), and such election statement shall be attached to the appropriate returns as required by
15 26 CFR §1.468B-1(j)(2)(ii). The Parties agree to cooperate with the Class Action Administrator
16 and one another to the extent reasonably necessary to carry out the provisions of this Section.

17 68. Class Action Administration After Preliminary Approval. Defendants will
18 provide the names, last known address and telephone information, Social Security numbers, and
19 total Qualifying Pay Periods for Settlement Class Members (“Class Data”) to the Class Action
20 Administrator only and on a confidential basis. Defendants will provide the Class Data to the
21 Class Action Administrator no later than seven (7) calendar days after the Court grants
22 Preliminary Approval of the Settlement, but subject to the Class Action Administrator providing
23 adequate and contractual assurances with respect to confidentiality and data security. Class Data
24 shall be used by the Class Action Administrator solely for the purpose of calculating settlement
25 shares, notifying the Settlement Class Members of the Settlement, and tax reporting. The Class
26 Action Administrator shall run the Class Data list through the National Change of Address
27 database, and will use the most recent address for each Settlement Class Member — either from
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1 Defendants' records or the National Change of Address database — when mailing the Class
2 Notice. The Class Action Administrator shall also take reasonable steps to locate any Settlement
3 Class Member whose Class Notice is returned as undeliverable.

4 69. Class Action Administration After The Opt-Out Period. Within seven (7)
5 calendar days following the close of the Opt-Out Period, the Class Action Administrator shall
6 notify Class Counsel and Defendants' Counsel in writing of: (1) the number of timely completed
7 and properly submitted requests for exclusion, and (2) the name(s) of the Settlement Class
8 Member(s) who submitted the request(s) for exclusion. The Class Action Administrator will
9 determine which Settlement Class Members did not timely and properly complete a request for
10 exclusion. The Class Action Administrator will then calculate the amount of the payment to each
11 member of the Settlement Class Members in accordance with this Stipulation. The Class Action
12 Administrator is responsible for issuing the payments and withholding all required state and
13 federal taxes in accordance with this Settlement Agreement. The Class Action Administrator
14 shall be responsible for all W-2s, IRS Form 1099s, any other applicable tax forms, notices,
15 mailings, secondary mailings if any, claims administration, and making and all payments to
16 Settlement Class Members in accordance with this Settlement Agreement.

17 70. Class Notice. Within seven (7) calendar days of the Court Order granting
18 Preliminary Approval, Defendants will provide to the Class Action Administrator a list that
19 includes the following information for each Class Member: (1) name, (2) last known address,
20 (3) telephone number, (4) Social Security Number, and (5) dates of employment ("Class Data").
21 Within seven (7) calendar days of receiving the Class Data list, the Class Action Administrator
22 shall send via United States First Class Mail the Court-approved Class Notice of the Class
23 Action Settlement, in a form substantially similar to that attached hereto as **Exhibit 1**. The Class
24 Notice will include, among other information: (1) information regarding the Lawsuit; (2) the
25 impact on the rights of the Settlement Class Members if they do not opt-out; (3) information to
26 the Settlement Class Members regarding how to opt-out of the Class; (4) information to the
27 Settlement Class Members regarding how to object to the settlement; (5) the particular

1 Settlement Class Member's specific number of Qualifying Pay Periods; (6) the amount of Class
2 Counsel's requested attorneys' fees and costs; (7) the amount of Plaintiff's requested Service
3 Enhancement Award; (8) the administration fees to be paid to Class Action Administrator; and
4 (9) reflect the Court's current social distancing procedures for attendance at hearings and review
5 of court files.

6 71. Returned Settlement Class Member Notice. For each Settlement Class Member
7 whose Notice is returned, there will be one skip trace by the Class Action Administrator, via an
8 approved method, using a Social Security number, which shall be provided by Defendants. One
9 supplemental Notice may be mailed to each Settlement Class Member whose Notice is returned
10 as undeliverable to the Class Action Administrator within five (5) business days of the Class
11 Action Administrator receiving notice that the mail was undeliverable. Any requests by the
12 Class Action Administrator for documents or information from Defendants must be responded to
13 within a reasonable amount of time by Class Counsel and counsel for Defendants. It is the intent
14 of the Parties that reasonable means be used to locate the Settlement Class Member and apprise
15 them of their rights.

16 72. Opting Out of Settlement: Class Members may elect to Opt Out of the class
17 portion of the settlement and, thus, exclude themselves from the Settlement Class. Class
18 Members who wish to exercise this option must send to the Settlement Administrator a signed
19 and completed Opt Out request in writing, which clearly states that the Class Member wishes to
20 be excluded from the Settlement of *Jose Adolfo Ceron Salazar et al. v. Eat Good Stuff, Inc., et*
21 *al.*, Case No. 20STCV18761, and which must be postmarked on or before the Opt Out Deadline.
22 If a proper Opt Out request is not received by the Settlement Administrator from a Class Member
23 on or before the Opt Out Deadline, then that Class Member will be deemed to have forever
24 waived his or her right to Opt Out of the Settlement Class. The Class Notice will advise Class
25 Members of the option to Opt Out of the settlement and will contain instructions on how to do
26 so. Class Members who do not properly request exclusion from the class action settlement by
27 submitting valid and timely Opt Out requests shall be deemed a Qualified Settlement Class
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1 Member. Class Members who do properly request exclusion from the class action settlement by
2 submitting a valid and timely Opt Out request shall not be bound by the terms of the settlement
3 (other than as it applies to the PAGA claim with respect to the Eligible Aggrieved Employees),
4 shall not be allowed to object to this settlement, and shall not be entitled to any benefits as a
5 result of this settlement (except for Aggrieved Employees who retain a right to receive a *pro rata*
6 share of the portion of the PAGA Settlement Amount allocated to the Eligible Aggrieved
7 Employees). If the Court approves the compromise of the PAGA claim, all Eligible Aggrieved
8 Employees are bound by the Court's resolution of that claim. Class Members who are also
9 Eligible Aggrieved Employees submitting a valid and timely Opt Out request will nevertheless
10 receive their *pro rata* share of the PAGA Eligible Aggrieved Employee Amount.

11 73. Class Members who do not submit a timely and valid Opt Out of the Settlement
12 Class shall be deemed Qualified Settlement Class Members and shall be bound by the Judgment.

13 74. Opt-Out Period. Subject to Court approval, the Settlement Class Members shall
14 have forty-five (45) calendar days (referred to hereafter as the "Opt-Out Period") from the date
15 that the Class Action Administrator mails the Notice to them to postmark a written request for
16 exclusion from the non-PAGA claim portion of the settlement, to be returned by mail or
17 facsimile to the Class Action Administrator. Settlement Class Members for whom a notice must
18 be re-mailed will be provided an additional fifteen (15) calendar days for a total Opt-Out Period
19 of sixty days (60). Requests for exclusion postmarked after the close of the Opt-Out Period will
20 not be honored. Any Settlement Class Member on active military service may request for
21 exclusion for up to eighteen (18) months from the original mailing date of the Notice.
22 Additional time may be provided to a member of the Settlement Class to request exclusion upon
23 a showing of good cause as determined by the Court. All Parties and their counsel will not
24 encourage any Settlement Class Members to submit request exclusion. Class Members who are
25 Eligible Aggrieved Employees will not be permitted to Opt Out from the release of the PAGA
26 claim portion of the settlement.

27 75. Deficient Requests for Exclusion. If a Settlement Class Member submits a
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1 Deficient request for exclusion, the Class Action Administrator shall notify the Settlement Class
2 Member of the deficiency within five (5) business days of receipt. The Settlement Class
3 Member shall have until five (5) calendar days following the receipt of such notification to cure
4 said deficiencies, at which point his or her request will be rejected if not received.

5 76. Challenges to Settlement Class Member's Employment Data. In calculating each
6 individual Qualified Settlement Class Member's share of the settlement, Defendants' records
7 regarding the employment tenure of Settlement Class Members shall be presumed to be correct.
8 Settlement Class Members who challenge Defendants' records must submit a challenge in
9 writing to the Class Action Administrator and will bear the burden of proof, *i.e.*, a Settlement
10 Class Member who fails to provide written documentation supporting a different number of
11 Qualifying Pay Periods will have his or her challenge denied. All such challenges must be
12 received within fourteen (14) calendar days following the conclusion of the Opt-Out Period.
13 Defendants will investigate the challenge and determine whether any correction to the number of
14 Qualifying Work Weeks for the Settlement Class Member making the challenge should be made.
15 In no case will a challenge to the number of Qualifying Work Weeks result in a payment by
16 Defendants in excess of the Maximum Settlement Amount.

17 77. Objections to Settlement. The Settlement Class Members shall be given the
18 opportunity to object to the terms of the Stipulation and/or requests for Class Counsel's
19 attorneys' fees and costs and to participate at the final fairness and approval hearing, in
20 accordance with the instructions set forth in the Notice. No objecting Settlement Class Members
21 shall be required to appear at the final approval hearing to maintain their objections. All written
22 objections to the Settlement by any Settlement Class Member must be received by the Class
23 Action Administrator and served upon all counsel of record for the Parties by no later than seven
24 (7) calendar days following the conclusion of the Opt-Out Period. Written objections do not need
25 to be filed with the Court. This deadline applies notwithstanding any argument regarding alleged
26 non-receipt of the Class Notice. A Class Member who objects to the settlement will still be
27 considered a Member of the Settlement Class. The Notice shall reflect that if any objecting Class
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1 Member wishes to speak at the Settlement Hearing, he or she may do so and that the Court will
2 hear from any Class Member who attends the final approval hearing and asks to speak regarding
3 his or her objection. A written objection or notice of intent to appear is not required should a
4 Class Member wish to orally object.

5 78. Settlement Class Members who timely and validly complete and submit requests
6 for exclusion shall have no right to object and shall be foreclosed from making any objection to
7 the Settlement.

8 79. Response to Objections. The Parties may file a response to any objections
9 submitted by objecting Settlement Class Members no later fourteen (14) business days after the
10 Parties receive notice of the objection.

11 **X. QUALIFIED SETTLEMENT FUND PAYMENTS**

12 80. Within three (3) calendar days from entry of the order granting Final Approval of
13 the Settlement, Class Counsel will provide a copy of the order to the Claims Administrator.

14 **XI. CIRCULAR 230 DISCLAIMER**

15 81. Each of the Parties acknowledges and agrees that: (a) no provision of this
16 Settlement Agreement, and no written communication or disclosure between or among the
17 Parties or their Counsel and other advisers is or was intended to be, nor shall any such
18 communication or disclosure constitute or be construed or be relied upon as, tax advice within
19 the meaning of United States Treasury Circular 230 (31 CFR part 10, as amended); (b) each
20 Party (i) has relied exclusively upon his, her or its own, independent legal and tax advisors for
21 advice (including tax advice) in connection with this Agreement, (ii) has not entered into this
22 Agreement based upon the recommendation of any other Party or any Counsel or advisor to any
23 other Party, and (iii) is not entitled to rely upon any communication or disclosure by any other
24 Counsel or advisor to any other Party to avoid any tax penalty that may be imposed on that Party;
25 and (c) no attorney or advisor to any other Party has imposed any limitation that protects the
26 confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such
27 limitation is legally binding) upon disclosure by the Party of the tax treatment or tax structure of
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any transaction, including any transaction contemplated by this Agreement.

XII. MISCELLANEOUS PROVISIONS

82. Drafting. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of negotiations between the Parties and that neither Party shall be considered the "drafter" of this Stipulation of Settlement for purposes of having terms construed against that Party.

83. Binding Upon Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of the successors or assigns of the Parties hereto and the Released Parties as defined herein.

84. Date of Payment and Distribution. In no event shall there be any distributions or payments from the Maximum Settlement Amount to Class Counsel, Plaintiffs, Qualified Settlement Class Members, or any other person until after the Effective Date.

85. Uncashed Settlement Checks. Any checks issued to Class Members and/or Eligible Aggrieved Employees shall be negotiable for at least one-hundred and eighty (180) calendar days from the date the checks are mailed. Any settlement checks that remain uncashed after one hundred and eighty (180) calendar days after issuance, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

86. Cy Pres. The Parties acknowledge that California Civil Procedure Code section 384 and the Doctrine of *Cy Pres* are not applicable to this Settlement because the terms of this Settlement Agreement expressly provide for the disposition of the entire Maximum Settlement Amount, whether claimed or unclaimed. The Parties have expressly elected not to create a common fund by this Settlement.

87. Cooperation. The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Settlement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may

1 become necessary by Court order, or otherwise, to effectuate this Settlement Agreement and the
2 terms set forth herein. The Parties agree that they will cooperate and use their best efforts to
3 promptly draft, finalize, and execute the settlement documents. In the event the Parties are
4 unable to reach agreement on the form or content of any document or action needed to
5 implement the terms of this Agreement or to otherwise effectuate the terms of this Settlement,
6 the Parties may seek the assistance of the Court to resolve such disagreement.

7 88. No Retaliation. Defendants understands its legal obligation not to retaliate against
8 Qualified Settlement Class Members for their participation and/or election to participate in the
9 benefits to be afforded any of them by the Settlement.

10 89. Representations and Warranties. Plaintiffs hereby represent and warrant that as of
11 the date of this Stipulation, they are not aware of and have no knowledge of any other claims or
12 injuries that they or any other current or former employee of Defendants has or intends to file
13 against Defendants for damage, injury, or injunctive relief against Defendants.

14 90. Extensions of Time. If either Party cannot reasonably comply with an obligation
15 under this Settlement Agreement by the deadline set forth herein applicable to that obligation,
16 that Party may apply to the Court for a reasonable extension of time to fulfill that obligation.
17 Consent to such a request for an extension will not be unreasonably withheld by the other Party.

18 91. Notices. Unless otherwise specifically provided herein, all notices, demands, or
19 other communications given hereunder shall be in writing and shall be deemed to have been duly
20 given as of the third business day after mailing by United States certified mail, return receipt
21 requested, addressed as follows:

22 To the Plaintiff Class:
23 **LOYR, APC**
24 Young W. Ryu, Esq.
24 Sarah H. Cohen, Esq.
25 3130 Wilshire Blvd., Suite 209
25 Los Angeles, California 90010
26 Telephone: (213) 318 – 5323
26 Facsimile: (800) 576 – 1170

27
28 To the Defendants:

James Artiano
Joanne K. Leighton
ARTIANO & ASSOCIATES, APC
3828 Carson Street, Suite 102
Torrance, CA 90503
Voice: (310) 543-1240
Fax: (310) 543-9850

92. Modification. This Agreement may not be changed, altered, or modified, except in writing signed by counsel for the Parties hereto and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

93. Governing Law. The rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and shall be governed by, the laws of the State of California, without regard to principles of conflict of laws.

94. Counterparts. Because the members of the Stipulated Class are numerous, the Parties agree that it is impossible or impractical to have each Stipulated Class Member sign this Stipulation. It is agreed that, for purposes of seeking Court approval of the Settlement, this Stipulation of Settlement may be executed on behalf of the proposed Class by Class Counsel and Plaintiffs and shall have the same force and effect as if it has been signed by each Stipulated Class Member. The Class Notice will advise Stipulated Class Members of the binding nature of the releases contained herein, and this Agreement shall have the same force and effect as if this Agreement were executed by each Stipulated Class Member. The Parties may execute this Settlement Agreement in any number of counterparts, and a facsimile signature shall have the same force and effect as an original.

95. Exhibits. The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein.

96. Authority. Each attorney signing below represents that he or she has been authorized to execute this Stipulation of Settlement on behalf of the attorney's respective client(s).

97. Titles and Captions of No Force. Paragraph titles or captions contained herein are

1 inserted for convenience and ease of reference, and do not define, limit, extend, or describe the
2 scope of the terms of the Agreement and its provision.

3 98. Invalid Without Court Approval. This Agreement is subject to approval by the
4 Court. In the event the Settlement is not approved, it shall be deemed null and void, of no force
5 and effect, and the Parties represent, warrant, and covenant that in such event it will not be
6 admitted in the Action as an admission, as evidence, or used for any other purpose in the Action.

7 99. No Tax Advice. Nothing contained herein constitutes legal advice regarding the
8 taxability of any amounts paid in connection with the Settlement, nor should anything contained
9 herein be relied upon as such advice.

10 100. Court Jurisdiction. The Parties agree that upon the occurrence of the Effective
11 Date, this Agreement shall be enforceable by the Court and the Court shall retain jurisdiction
12 over the Parties and the Stipulated Class Members to enforce the terms, conditions and
13 obligations of the Agreement.

14 101. Escalator Clause: Defendants estimate that the total workweeks worked by
15 putative class members from May 15, 2016 to December 20, 2021 is 26,000. In the event that the
16 number of workweeks in the Class Period is determined to be more than 10% higher than 26,000
17 (i.e., more than 28,600), the Gross Settlement Amount will increase pro rata based on the number
18 of workweeks over 26,000.

19
20 IN WITNESS WHEREOF, this Stipulation of Settlement is executed by the Parties and
21 their duly authorized attorneys, as of the day and year herein set forth.

22
23 Dated: 7-18-22

LOYR, APC



24 By: _____

25 Young W. Ryu, Esq.

26 Joshua Park, Esq.

27 Henna H. Choi, Esq.

28 Sarah H. Cohen, Esq.

Attorneys for Plaintiffs

Dated:

ARTIANO & ASSOCIATES, APC

By: _____

James Artiano, Esq.
 Joanne K. Leighton, Esq.
 Attorney for Defendants

Dated: _____

By: _____

Cris Bennett

Dated: _____

By: _____

On behalf of EAT GOOD STUFF, INC.

Dated: _____

By: _____

On behalf of CB STUFF, INC.

Dated: _____

By: _____

On behalf of ITS NOT JUST A
 RESTAURANT, INC.

Dated: _____

By: _____

On behalf of GS SURFSIDE, INC.

Dated: 7/18/2022

By: _____

Class Representative –
 JOSE ADOLFO SALAZAR CERON

Dated: 7/18/2022

By: _____

Class Representative – RUBEN
 ESCARENO

Dated: 7/18/2022

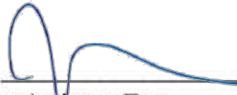
By: _____

Class Representative – RAFAEL CRUZ

Henna H. Choi, Esq.
Sarah H. Cohen, Esq.
Attorneys for Plaintiffs

Dated: July 18, 2022

ARTIANO & ASSOCIATES, APC

By: 
James Artiano, Esq.
Joanne K. Leighton, Esq.
Attorney for Defendants

Dated: 7/17/22

By: Cris Bennett
Cris Bennett

Dated: 7/17/22

By: Cris Bennett
On behalf of EAT GOOD STUFF, INC.

Dated: 7/17/22

By: Cris Bennett
On behalf of CB STUFF, INC.

Dated: 7/17/22

By: Cris Bennett
On behalf of ITS NOT JUST A
RESTAURANT, INC.

Dated: 7/17/22

By: Cris Bennett
On behalf of GS SURFSIDE, INC.

Dated: _____

By: _____
Class Representative –
JOSE ADOLFO SALAZAR CERON

Dated: _____

By: _____
Class Representative – RUBEN
ESCARENO

Dated: _____

By: _____
Class Representative – RAFAEL CRUZ

EXHIBIT 1

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Jose Adolfo Ceron Salazar et al. v. Eat Good Stuff, Inc., et al.
Superior Court, County of Los Angeles, Spring Street Courthouse
Case No. 20STCV18761

To: all individuals who have been, or currently are, employed by Defendants as “non-exempt” during the Class Period. Excluded from the Class are employees who work only administrative and managerial functions as exempt employees, at anytime from May 15, 2016 through the date that Preliminary Approval is granted.

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

You are receiving this notice because Defendants’ records indicate that you may be entitled to participate in this class action settlement.

The following recitation does not constitute the findings of the Court and should not be understood as an expression of the Court's views on the merits of any claim or defense raised by the parties. Defendants adamantly denies any and all liability. It.

I. WHY IT IS IMPORTANT TO READ THIS NOTICE:

The Superior Court of the State of California in and for the County of Los Angeles (the "Court") has granted preliminary approval to a proposed Settlement (defined below) of a class action lawsuit regarding wage and hour claims of all individuals who are formerly and currently employed as non-exempt employees for Eat Good Stuff, Inc. and Cris Bennett from May 15, 2016 through the date of preliminary approval of the Settlement ("Class Period").

Because your rights may be affected by the Settlement (defined below), it is important that you read this notice carefully. Defendants’ records show that you worked for Defendants as a non-exempt employee in California, at some time from May 15, 2016 up to and including **[the date that preliminary approval is granted]**. Therefore, you are a Class Member or an Eligible Aggrieved Employee in this Lawsuit.

The purpose of this Notice is to provide you with a brief description of the class action lawsuit, what investigation of the claims has taken place, and, finally, to inform you of the terms of the proposed Settlement (defined below) and to discuss your rights and options in connection with the lawsuit and the Settlement (defined below).

II. WHAT THE CASE IS ABOUT:

A former employee of Defendants made a claim against Defendants alleging that certain of Defendants’ wage and hour practices violated California law.

The claims affect any and all persons who have been, or currently are, employed by Defendants as “non-exempt” employees at any time from May 15, 2016 up to and including **[the date that preliminary approval is granted]**. On behalf of themselves and on behalf of other employees of Defendants, Jose Adolfo Ceron Salazar, Ruben Escareno, Rafael Cruz ("Class Representatives" or "Plaintiffs") claim that Defendants failed to comply with California wage and hour laws including, but not limited to: (1) Failure to Compensate All Hours Worked In Violation of Industrial Welfare Commission Order No. 4 and Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Meal and Rest Breaks In Violation of Cal. Labor Code §§ 200, 226.7, 512, and 12 California Code of Regulations § 11050; (3) Failure To Pay Vacation/PTO Times In Violation Of Labor Code §§ 227.3; (4) Failure To Provide Proper Wage Statement In Violation Of Cal. Labor Code § 226; (5) Failure To Pay Compensation Upon Termination Of Employment In Violation Of Cal. Labor Code §§ 201-203; (6) Violation of Labor Code § 2698, *et seq.* (“PAGA”); and (7) Violations Of Cal. B&P Code §§ 17200, *et seq.*, seeking, inter alia, damages, penalties, attorneys' fees, interest, for alleged wage and hour violations including, but not limited to, wage and hour violations, failure to provide meal and rest breaks, and failure to pay premium pay, failure to furnish accurate, itemized wage statements, failure to timely pay wages upon discharge or quit. In bringing their claims against Defendants, Plaintiffs sought to obtain, among other things, unpaid wages, interest, attorneys' fees, statutory penalties, and civil penalties on behalf of other employees of Defendants.

Defendants adamantly deny each, every, and all of the allegations of the lawsuit, and maintain that they complied with all California wage and hour laws, such that Plaintiffs cannot properly recover any damages including but not limited to civil penalties under California law. Although Defendants deny these allegations, they have chosen to resolve the matter based upon the terms and conditions set forth in the Joint Stipulation of Settlement and Release ("Settlement Agreement" or "Settlement"). The Court will determine whether or not to grant final approval of this Settlement.

The Settlement provides for the certification, for settlement purposes only, of all persons who worked for Defendants as nonexempt employees at any time from May 15, 2016 up to and including **[the date that Preliminary Approval of the Stipulation is granted]**.

The terms of the Settlement are set forth more fully in the next section, but generally Defendants have agreed to pay up to \$450,000, should the Court grant final approval to the proposed Settlement.

III. THE SETTLEMENT OF THE CLAIMS:

On December 20, 2021, the parties participated in a full-day mediation in Los Angeles before Class Action law mediator, Steven Serratore, Esq. The parties were able to resolve the matter at mediation and agree to a settlement.

Plaintiffs and Class Counsel believe the Settlement is in the best interest of the Class.

Through this Settlement, neither Defendants nor any of their employees have admitted any liability or wrongdoing and, in fact Defendants expressly deny any wrongdoing. The Court did not decide in favor of Plaintiffs or Defendants. The Settlement Agreement has been preliminarily approved by the Court. A full copy of the Settlement Agreement, embodied in the document entitled **SECOND AMENDED JOINT STIPULATION OF SETTLEMENT AND RELEASE** as preliminarily approved by the Court, as well as other public documents filed in this case, can be inspected in the Office of the Court Clerk located at 312 N. Spring Street, Los Angeles, California 90012.

IV. THE TERMS OF THE CONDITIONAL CLASS ACTION SETTLEMENT:

On behalf of the Class Members, the Class Representatives have reached a Settlement with Defendants and on [the preliminary approval date], the Court conditionally certified a class, for settlement purposes only, comprised of the following persons (collectively, the "Class"):

All individuals who have been, or currently are, employed by Defendants as "non-exempt" during the Class Period. Excluded from the Class are employees who work only administrative and managerial functions as exempt employees, at anytime from May 15, 2016 through the date that Preliminary Approval is granted

Without admitting liability, Defendants have agreed to pay \$450,000 for Settlement of the claims in this matter (the "Maximum Settlement Amount"). Class Members who do not opt out of the Class pursuant to the procedures set forth in this Notice ("Settlement Class Members") will be bound by the Settlement and will release Defendants and all Released Parties (defined below) for the Class Action Released Claims (defined below) (see below for more information).

This Settlement is conditioned upon the Superior Court of the State of California in and for the County of Los Angeles, entering an order at or following the hearing finally approving the Settlement (the "Settlement Hearing") as fair, reasonable, adequate, and in the best interests of the Settlement Class.

The following payments will be sought, subject to final approval by the Court, from the Maximum Settlement Amount of \$450,000:

- (1) Payment in the amount of \$10,000.00 incentive payment to Plaintiff Jose Adolfo Ceron Salazar, and \$5,000 each for Plaintiff Ruben Escareno and Rafael Cruz, who served as liaison between counsel and the class members, in addition to the sum that they will receive as a Settlement Class Member, to compensate them for acting on behalf of the Class, including the time they expended to fulfill the role of Class Representatives (e.g., assisting with the investigation of the claims and being involved with the settlement negotiations), and Plaintiffs' release of claims against the Released Parties;
- (2) Payment in an amount of up to \$150,000 to Class Counsel as attorneys' fees, to compensate them for their services

- (3) Payment in an amount of up to \$18,000 to Class Counsel, to reimburse Class Counsel for actual litigation costs and expenses expended in this matter by Class Counsel;
- (4) Payment in an amount of up to \$13,000.00 to the Settlement Administrator, Simpluris, Inc., for the fees and costs of administering this Settlement;
- (5) Payment in an amount of \$15,000 to the California Labor Workforce and Development Agency ("LWDA") for the State of California's share of the \$20,000 allocated as penalties pursuant to the California Labor Code Private Attorney General Act of 2004 ("PAGA") (\$5,000 of the penalties will be distributed to Class Members who are Eligible Aggrieved Employees); and

The Net Settlement Sum that is available to pay Settlement Class Members will be the Gross Settlement Sum less the above mentioned requested payments which are subject to final approval by the Court. The Net Settlement Sum is estimated to be approximately \$234,000, and will be automatically distributed to Class Members who do not opt out of this Settlement (i.e. Settlement Class Members), and these gross individual shares are known as the "Individual Settlement Amount." The Individual Settlement Amount for each Settlement Class Member shall be determined on a pro-rata basis based on the number of workweeks (in which the Class Member worked at least one (1) day) during the Class Period. Each Individual Settlement Amount shall be allocated as 10% as wages and 45% as penalties and 45% as interest. The wage portion of each Individual Settlement Amount is subject to employee's and employer's share of state and federal employment and payroll taxes and withholdings prior to distribution to Settlement Class Members.

V. WHAT IS YOUR EXPECTED SHARE:

As discussed above, the Net Settlement Sum will be automatically distributed to Class Members who do not opt out of this Settlement ("Qualified Settlement Class Member"), based on their respective number of workweeks.

Defendants' records reflect that you worked [insert number of workweeks] workweeks during the Class Period, and based on this number of workweeks, your gross Individual Settlement Amount is estimated to be [insert estimated amount].

The amount stated herein as your estimated Individual Settlement Amount may change depending on the number of Class Members who do not opt-out and the Court's order with respect to the requests for attorneys' fees, litigation costs and expenses, awards to class representative, administration expenses, and PAGA payment. Further, as discussed above, your gross Individual Settlement Amount will be allocated as 10% wages (reported on an IRS Form W-4), 45% interest (reported on an IRS Form 1099), and 45% penalties (reported on an IRS Form 1099). The wage portion is subject to employee's share of state and federal payroll taxes and withholdings prior to distribution. All of Defendants' payroll taxes shall be paid separately by Defendants in an amount separate from the Maximum Settlement Amount.

In addition, \$5000 of the PAGA penalties will be allocated as follows. Each Class Member who is an Eligible Aggrieved Employee, shall receive a portion of the \$5000 of the PAGA penalties proportionate to the number of pay periods that he or she worked during the PAGA Period ("PAGA Period" means the period from May 15, 2019 to the Court's preliminary approval of the settlement agreement), and which will be calculated by multiplying the \$5,000 by a fraction, the numerator of which is the Eligible Aggrieved Employee's number of pay periods worked during this time period, and the denominator of which is the total number of pay periods worked by all Eligible Aggrieved Employees during this time period. A Class Member is an "Eligible Aggrieved Employee" if he/she worked for Defendants in California during the PAGA Period.

Settlement checks will be valid for 180 days, and any settlement checks that remain uncashed after one hundred and eighty (180) calendar days after issuance, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b)

VI. WHAT YOU NEED TO DO IN RESPONSE TO THIS NOTICE:

You have received this Notice because Defendants' records indicate that you are a member of the conditionally certified Class. You have the following four options:

1. **IF YOU WISH TO PARTICIPATE IN THE CLASS ACTION SETTLEMENT AND REMAIN A MEMBER OF THE SETTLEMENT CLASS AND BE ISSUED A PAYMENT UNDER THE SETTLEMENT (or in the event of a deceased Class Member, the estate or authorized beneficiary), YOU ARE NOT REQUIRED TO TAKE ANY FURTHER ACTION.** You will be issued payment if the Court grants final approval to the Settlement and Judgment becomes final, and you will release the Released Parties for the Released Claims (see next section for definition of "Released Claims" and "Released Parties"). If you wish to receive a payment under the Settlement, you must NOT "Opt Out" of the Settlement. **To ensure receipt of your payment, you must make sure that your correct mailing address is on file with the Settlement Administrator.** Pursuant to California Rule of Court 3.766(d)(5), Class Members have the option to enter an appearance in the Litigation at their own expense by obtaining their own attorney(s). Class Members who choose this option will be responsible for any attorneys' fees or costs incurred as a result of this election.
2. **YOU MAY ELECT TO "OPT OUT" OF THE SETTLEMENT CLASS AND THUS EXCLUDE YOURSELF FROM THE SETTLEMENT INCLUDING: (1) RECEIVING THE ASSOCIATED INDIVIDUAL SETTLEMENT AMOUNT PAYMENT; AND (2) THE ASSOCIATED RELEASE OF CLAIMS AND STIPULATED JUDGMENT.** If you wish to exercise this option, you must mail to the Settlement Administrator an Opt Out request, in writing and

signed, which clearly states that the Class Member wishes to be excluded from the Settlement of *Jose Adolfo Ceron Salazar et al. v. Eat Good Stuff, Inc., et al.*, Case No. 20STCV18761, to the following address: XXXXXXXX, and is postmarked on or before the [Opt Out Response Deadline]. If a timely and complete Opt Out request is not received by the Settlement Administrator postmarked on or before the [Opt Out Response Deadline], you will be deemed to have forever waived your right to opt out of the Settlement Class. Class Members who do not properly opt out of the Settlement shall be Members of the Settlement Class. Class Members who do properly opt out of the Settlement shall not be bound by the terms of the Settlement, shall not be allowed to object to this Settlement, and shall not be entitled to any benefits as a result of this Settlement, including payment of any Individual Settlement Amount except for their share (if any) of the \$5,000 PAGA penalties. Any Class Member who properly opts out will still receive an individual PAGA settlement payment for their portion of the \$5,000 PAGA Penalties to the extent the Class Member also is an Eligible Aggrieved Employee.

3. **FINALLY, PROVIDED YOU DO NOT OPT OUT OF THE SETTLEMENT CLASS, YOU MAY OBJECT TO THE SETTLEMENT.** You may object to the Settlement by mailing written objections to the Claims Administrator, postmarked on or before [insert Objection Deadline], to the following address: XXXXXXXXXX. The written objection must be signed and dated, state the Class Member's name, dates of employment as Defendants' employee, the case name and number (*Jose Adolfo Ceron Salazar et al. v. Eat Good Stuff, Inc., et al.*, Case No. 20STCV18761), that you wish to object to the Settlement, and the basis for the objection. If any Class Member wishes to orally object at the Settlement Hearing, that Class Member may do so by appearing at the Settlement Hearing. A written objection or notice of intent to appear is not required should you decide to orally object. The Court will hear from any Class Member who attends the Settlement hearing and asks to speak regarding his or her objection. Please see the court's website for its latest COVID-19 courthouse protocols, such as, e.g., wearing face masks and social distancing: <https://www.lacourt.org/>.

If you take no action, you will remain a member of the Settlement Class. A Class Member who does not opt out of participation in the Settlement will be bound by the Judgment and be issued payment under the Settlement, with a copy of the final judgment. If you remain a member of the Settlement Class, you will be represented by the attorneys for Plaintiff, who has been designated by the Court as Class Counsel:

Young W. Ryu (State Bar No. 266372)
 LOYR, APC
 3130 Wilshire Blvd, Suite 209
 Los Angeles, CA 90010
 Telephone: (213) 318-5323

VII. RELEASE OF CLAIMS OF SETTLEMENT CLASS MEMBERS:

If the Court grants final approval of the Settlement, Class Members who do not Opt Out of the Settlement will be subject to the Judgment rendered by the Court pursuant to the Settlement Agreement and be precluded from bringing Released Claims in the future for the period from May 15, 2016 up to and including **[the date that Preliminary Approval of the Stipulation is granted.]**.

Specifically, after final approval by the Court, the Settlement will fully release and discharge all Qualified Settlement Class Member Released Claims (as defined below) of Qualified Settlement Class Members against Defendants and each of its respective past, present and future parent companies, subsidiaries, affiliates, current and former management companies, shareholders, members, agents accountants, insurers, reinsurers, claims administrators, attorneys and any past, present or future owners, officers, directors and employees, predecessors, successors, or assigns thereof, Eat Good Stuff, Inc.; Cris Bennett and non-parties CB Stuff, Inc.; It's Not Just A Restaurant, Inc.; and GS Surfside, Inc. ("Released Parties"). The release of claims for PAGA penalties shall only bind Class Representatives and Qualified Settlement Class Members who are also an Eligible Aggrieved Employee, and the State of California.

Qualified Settlement Class Members' Release. After the Judgment is final and Defendants' have fully funded the Maximum Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the individual class payments, Qualified Settlement Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Qualified Settlement Class Members will be bound by the following release:

All Qualified Settlement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the operative Second Amended Complaint including, (1) Failure to Compensate All Hours Worked in Violation of Industrial Welfare Commission Order No. 5 and Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Meal and Rest Breaks in Violation of Cal. Labor Code §§ 226.7, 512, 558 and 1198; (3) Failure to Pay All Accrued and Vested Vacation/PTO Wages in Violation Of Cal. Labor Code § 227.3; (4) Failure to Provide Proper Wage Statements in Violation Of Cal. Labor Code § 226; (5) Failure to Pay Compensation Upon Termination of Employment in Violation of Cal. Labor Code §§ 201-203; and (6) Violations of Cal. B&P Code §§ 17200, et seq. Except as set forth in Paragraph 47 the Settlement Agreement, Qualified Settlement Class Members do not release any other claims, including claims for vested benefits,

wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

Eligible Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Maximum Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the individual class payments, all Eligible Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all Eligible Aggrieved Employees, including those who are Qualified Settlement Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Eligible Aggrieved Employees' Releases for Qualified and Non-Qualified Settlement Class Members are as follows:

All Qualified and Non-Qualified Settlement Class Members who are Eligible Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the operative Second Amended Complaint, and the PAGA Notice.

VIII. THE NEXT STEP:

The Settlement Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at on XXXXXX, 2022 in Department SSC11 of the Los Angeles County Courthouse located at 312 N. Spring Street, Los Angeles, California 90012. **You are not required to attend the Settlement Hearing, although any Class Member is welcome to attend the hearing.**

IX. HOW TO OBTAIN ADDITIONAL INFORMATION:

This Notice is only a summary of the class action lawsuit and the associated Settlement. For more information, you may inspect the Court files and the Settlement Agreement at the Los Angeles County Superior Court, located at 312 N. Spring Street, Los Angeles, California 90012 during regular court hours.

You may contact Class Counsel for more information: Young W. Ryu, LOYR, APC, 3130 Wilshire Blvd, Suite 209, Telephone: (213) 318-5323. You may also contact the Class Administrator, Simpluris, Inc. at [] if you have any questions. Upon reasonable request, Class Counsel will send you copies of these documents at no cost to you. You

can also view them on the Administrator's Website [\(url\)](#) or the Court's website [\(url\)](#).

PLEASE DO NOT CALL OR WRITE TO THE COURT ABOUT THIS NOTICE.