

**JOINT STIPULATION AND AGREEMENT FOR CLASS-PAGA
ACTION SETTLEMENT AND RELEASE**

This Joint Stipulation and Agreement for Class-PAGA Action Settlement and Release is made and entered into by Plaintiff Cherokee Johnson, individually and as representative of the Settlement Class, as defined below, and Seven Seventy Two Company, Inc. and Mr. Stax, Inc. This Joint Stipulation Agreement for Class-PAGA Action Settlement and Release is intended to settle and release all Class Members, as defined below, and Aggrieved Employees, as defined below, from their claims against Defendants, as defined below.

This Joint Stipulation and Agreement for Class-PAGA Action Settlement and Release is subject to the approval of the Court and is made for the sole purpose of attempting to consummate settlement and resolution of the Action, as defined below, and Released Claims, as defined below, subject to the following terms and conditions. As detailed below, in the event the Court does not enter an order granting final approval of the Settlement, as defined below, or the conditions precedent are not met for any reason, this Joint Stipulation and Agreement for Class-PAGA Action Settlement and Release is void and of no force or effect whatsoever.

I. DEFINITIONS

As used in this Joint Stipulation and Agreement for Class-PAGA Action Settlement and Release, the following terms shall have the meanings specified below. To the extent terms or phrases used in this Joint Stipulation and Agreement for Class-PAGA Action Settlement and Release are not specifically defined below, they are defined elsewhere in this Joint Stipulation and Agreement for Class-PAGA Action Settlement and Release.

1.1 “Action” means the lawsuit pending in the Court, entitled *Cherokee Johnson v. Seven Seventy Two Company, Inc., et al.*, initially filed on July 2, 2020, in the Los Angeles County Superior Court, and assigned Case No. 20-STCV-25308, and includes any amended complaints filed in the lawsuit.

1.2 “Administration Expenses” shall include all costs and expenses associated with and paid to the Settlement Administrator, which are anticipated not to exceed Fifteen Thousand Dollars and Zero Cents (\$15,000.00).

1.3 “Aggrieved Employees” as used herein, shall mean non-exempt and/or hourly-paid, current and former employees, who worked for Defendant Seven Seventy Two Company, Inc. at the International House of Pancakes restaurant operated at 21716 South Avalon Boulevard, Carson, California, at any time during the PAGA Period, as defined herein.

1.4 “Plaintiff,” or “Class Representative” means the named Plaintiff in the Action, Plaintiff Cherokee Johnson, who will represent the Class and Aggrieved Employees subject to Court approval.

1.5 “Class” or “Class Members” is defined as all non-exempt and/or hourly-paid, current and former employees, who worked for Defendant Seven Seventy Two Company, Inc. at the International House of Pancakes restaurant operated at 21716 South Avalon Boulevard, Carson, California at any time during the period of July 2, 2016 through the date of the entry of Preliminary Approval Order, as defined herein.

1.6 “Class-PAGA Counsel” and “Plaintiff’s Counsel” mean:

Marcus J. Bradley, Esq.
Bradley/Grombacher PC
31365 Oak Crest Dr Suite 240,
Westlake Village, CA 91361
Tel: (888) 418-7094
Fax: (805) 270-7589
e-mail: mbradley@bradleygrombacher.com

1.7 “Class Notice” means the Notice of Proposed Class Action Settlement and Hearing Date for Court Approval, as set forth in the form of **Exhibit 1** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class Members.

1.8 “Class Period” means the following: The Class Period is from July 2, 2016 to the date of the entry of the Preliminary Approval Order.

1.9 “Complaint” shall mean the Complaint filed on July 2, 2020 and any amended complaint in Case Number 20-STCV-25308. Plaintiff agrees and Defendants will stipulate to amend the Complaint to add causes of action for PAGA.

1.10 “Counsel for Defendants” or “Defense Counsel” means the following counsel:

Beth A. Kahn, Esq.
Ryan C. McKim, Esq.

CLARK HILL LLP
555 South Flower Street, 24th Floor Los Angeles, CA 90071
Tel: (213) 891-9100
Fax: (213) 488-1178
e-mail: bkahn@clarkhill.com
e-mail: rmckim@clarkhill.com

1.11 “Court” means the Superior Court of the State of California, for the County of Los Angeles.

1.12 “Effective Date” means the date when all of the following have occurred: (a) the Settling Parties have executed this Settlement Agreement; (b) the Court has ordered Final Approval of this Settlement Agreement; (c) the Court has entered a Final Approval Order and Judgment with continuing jurisdiction limited to enforcing this Settlement Agreement; and (d) if, and only if, the Court has overruled all or part of a validly filed objection by a Class Member, or has denied any relief sought in the motion(s) for final approval, the time for appeal has either run without an appeal being filed, or the aggrieved party or parties have waived their right to appeal, and/or any appeal (including any requests for rehearing, petitions for certiorari or appellate review) has been finally resolved. In the event that no written objections are timely filed prior to the Final Approval Hearing, or all timely filed written objections are withdrawn prior to the Final Approval Hearing, the Effective Date shall occur when the Court’s Final Approval Order and Judgment are entered.

1.13 Seven Seventy Two Company, Inc. and Mr. Stax, Inc. shall mean the named “Defendants” in the Action.

1.14 “Restaurant” means the International House of Pancakes located at 21716 South Avalon Boulevard, Carson, California.

1.15 “Hearing on Preliminary Approval” or “Preliminary Approval Hearing” means the hearing held on the motion for preliminary approval of the Settlement.

1.16 “Aggrieved Employees” means all non-exempt and/or hourly-paid, current and former employees, who worked for Defendant Seven Seventy Two Company, Inc. at the International House of Pancakes restaurant operated at 21716 South Avalon Boulevard, Carson, California, at any time during the period starting on and including July 2, 2019 through the date of the entry of Preliminary Approval Order.

1.17 “Gross Settlement Amount” means the agreed upon non-reversionary settlement amount totaling \$130,000.00 (one hundred thirty thousand dollars and zero cents) to be paid by Defendants in full settlement of the Action and Released Claims, including the Net Settlement Amount (which is inclusive of 25% of the PAGA Payment to Aggrieved Employees (“Aggrieved Employees’ PAGA Settlement Amount”)), Administration Expenses, Attorneys’ Fees and Expenses, Class Representative’s Service Award, and LWDA Payment (75% of the PAGA Payment to LWDA), as further described in Section 6.1.

1.18 “Individual Settlement Amount” means a Class Member’s total gross share of the Net Settlement Amount, which shall be allocated and distributed to Class Members based on the number of Workweeks credited to the Class Member, as further described in Section 6.2.

1.19 “Individual Settlement Payment” shall mean the respective payment to each individual Class Member as determined by the Individual Settlement Amount calculation described in Section 6.2.

1.20 “Individual PAGA Settlement Payment” means each Aggrieved Employee’s individual allocated share of the PAGA Payment, e.g., twenty-five percent (25%) or \$2,500. Aggrieved Employees will automatically receive their Individual PAGA Settlement Payment even if they opt out of the Settlement.

1.21 “Judgment” or “Final Approval Order and Judgment” means the order finally certifying the Class for settlement purposes and finally approving this Stipulation and Settlement and entering judgment, substantially in the form attached hereto as **Exhibit 3**, which shall constitute approval pursuant to California Rule of Court 3.769(a) and be a judgment for purposes of rule 3.771(a) of the California Rules of Court.

1.22 “Last Known Address” means the most recently recorded mailing address for a Class Member and/or Aggrieved Employee that is contained in the employment, payroll, or personnel records maintained by Defendants.

1.23 “LWDA” means California’s Labor and Workforce Development Agency, and necessarily includes the Division of Labor Standards and Enforcement (DLSE) within the Department of Industrial Relations (DIR).

1 1.24 “NCOA Check” means within ten (10) calendar days from the date the Defendants
2 submit the Class List to the Settlement Administrator, the Settlement Administrator will perform a
3 National Change of Address (“NCOA”) check for Class Members’ most current address based on the
4 information provided by Defendants, prior to mailing the Court-approved Class Notice to the Class
5 Members.

6 1.25 “Net Settlement Amount” means the portion of the Gross Settlement Amount that is
7 available for distribution to Class Members, as further described in Section 6.1.

8 1.26 “Notice of Proposed Class Action Settlement” or “Class Notice” mean a notice to be
9 approved by the Court, substantially in the form attached hereto as **Exhibit 1**, which will constitute
10 notice to the Class pursuant to California Rule of Court 3.769(f) and, once approved by the Court, shall
11 be deemed compliant with California Rule of Court 3.766(d).

12 1.27 “Objection(s)” or “Objectors” are Class Members who object to the Settlement by filing
13 written objections with the Court and serving a copy on the Parties by submitting the copy to the
14 Settlement Administrator no later than the Response Deadline, as further described in Section 5.5.

15 1.28 “PAGA Payment” means, subject to the approval of the Court, the amount of Ten
16 Thousand Dollars and Zero Cents (\$10,000.00), from the Gross Settlement Amount, for penalties under
17 the Private Attorneys General Act of 2004, as codified at *California Labor Code* §§ 2698, *et seq.*
18 (“PAGA”), of which, Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) shall be paid
19 to the Labor and Workforce Development Agency, and Two Thousand Five Hundred Dollars and Zero
20 Cents (\$2,500.00) shall be paid directly to the Aggrieved Employees as part of the Individual PAGA
21 Settlement Payments.

22 1.29 “PAGA Period” means at any time during the period starting on and including July 2,
23 2019 through the date of the entry of Preliminary Approval Order.

24 1.30 “Parties” or “Settling Parties” mean, collectively, Plaintiff and Defendants
25 (individually they are each referred to as “Party” or “Settling Party”).

26 1.31 “Employment and Payroll Taxes” shall mean the employee’s and employer’s share of
27 state and federal employment and payroll taxes and withholdings with respect to the wage-portion of
28 Individual Settlement Payment.

1 1.32 “Preliminary Approval Date” shall mean the date of the entry of the Order upon which
2 the Court grants preliminary approval of this Settlement.

3 1.33 “Preliminary Approval Order” shall mean an order to be executed and filed by the Court,
4 substantially in the form attached hereto as **Exhibit 2**, which will constitute an order certifying a
5 provisional class for settlement purposes only pursuant to California Rule of Court 3.769(d) and an
6 order setting a final approval/fairness hearing pursuant to California Rule of Court 3.769(e).

7 1.34 “Released Claims” means any and all claims alleged in the Complaint, and any claims
8 arising out of or in connection therewith against any and all Released Parties, arising during the Class
9 Period, including but not limited to the claims alleged in the Complaint (including but not limited to
10 Labor Code §§ 90.5, 98, 200, 201-203, 201.3, 201.5, 201.9, 204, 204.1, 204.2, 205.5, 206.5, 218, 218.5,
11 226, 226(a), 226.3, 226.7, 351, 510, 512, 450, 512, 558, 1174, 1174.5, 1182.12, 1193.6, 1194, 1194.3,
12 1194.2, 1194.67, 1197, 1197.1, 1198, 1199, 2698-2699.5, 2800, 2802, 44200; California Code of
13 Regulations, Title 8, §§ 11000, *et seq.*, IWC Wage Order 5-2001; Code of Civil Procedure §§ 382,
14 1021.5, California Business & Professions Code §§ 17200, *et seq.*), and the rest of the Complaint
15 alleging the following 7 causes of action: (i) Failure to pay reporting time pay in violation of California
16 Labor Code §§ 218, 1194; (ii) Meal break violations in violation of California Labor Code §§ 200,
17 226.7, 512; (iii) Rest break violations in violation of California Labor Code §§ 200, 226.7, 512; (iv)
18 Failure to furnish an accurate itemized wage statement upon payment of wages in violation of
19 California Labor Code § 226; (v) Failure to pay all wages owed at termination in violation of California
20 Labor Code §§ 201-203; (vi) Violation of unfair competition law (Bus. & Prof. Code §§ 17200, *et*
21 *seq.*); and (vii) Private Attorneys General Act of 2004, California Labor Code §§ 2698, *et seq.*);
22 including claims in “Prayer” (Labor Code §§ 200, 201, 202, 203, 218, 218.5, 226, 226.3, 226.7, 210,
23 226.7 and 1194 and Business & Professions Code §§ 17200, *et seq.*); any and all claims alleged in
24 Exhibit A to the Complaint (Plaintiff’s PAGA Notice to the LWDA). The “Released Claims” definition
25 encompasses and includes any and all claims stated in Plaintiff’s Complaint and/or this Action, in
26 addition to potential claims arising out of or in connection with the allegations made in Plaintiff’s
27 Complaint and/or this Action, whether or not specifically stated in Plaintiff’s Complaint and/or this
28 Action.

1.35 “Released Parties” shall mean Defendants, Seven Seventy Two Company, Inc., Mr. Stax, Inc., and all of their respective heirs, successors and assigns, agents, employees, and other related/affiliated entities, including but not limited to direct and indirect, parents and subsidiaries, as well as former and current employees, owners, agents, attorneys, insured, insurers, claims representatives, officers, directors, shareholders, members, managers, dba’s, and representatives, and franchisor International House of Pancakes LLC, Dine Brands Global, Inc., and any of its, direct or indirect, parent or subsidiary entities.

1.36 “Request for Exclusion” means a request in writing to be excluded from the Class Settlement which contains: the full name, address, telephone number, last four digits of social security number, and signature of the Class Member; the case name and number of the Action; and a statement indicating that he or she wishes to be excluded from the Class Settlement.

1.37 “Response Deadline” means the deadline for a Class Member to submit a Request for Exclusion, Objection, and/or Workweeks Dispute, by mail to the Settlement Administrator, which is no later than forty-five (45) calendar days after the Class Notice is mailed to the Class.

1.38 “Service Award” means any monetary payment (or “enhancement”) provided to the Class Representative for her efforts and risks on behalf of the Class Members in this Action, not to exceed Five Thousand Dollars and Zero Cents (\$5,000.00), subject to Court approval.

1.39 “Final Approval Hearing” means a hearing set by the Court for the purpose of: (i) determining the fairness, adequacy, and reasonableness of the Stipulation and associated settlement pursuant to class action procedures and requirements; (ii) determining the propriety of the Stipulation and associated Settlement; and (iii) entering the Final Approval Order and Judgment. This hearing is intended to be the settlement hearing or final approval hearing required under California Rule of Court 3.769(a).

1.40 “Settlement Administrator” means Rust Consulting, Inc., which the Parties have agreed will be responsible for administration of the Settlement and related matters, subject to approval and appointment by the Court.

1.41 “Settlement Class” or “Settlement Class Member(s)” means any, or collectively all Class Members who do not submit timely and valid Requests for Exclusion and thereby opt out of the settlement pursuant to Section 5.6 and, thus, become bound by the Judgment.

1.42 “Settlement” or “Settlement Agreement” shall mean the settlement embodied in this Stipulation, which is subject to Court approval.

1.43 “Stipulation” means this Joint Stipulation and Agreement for Class-PAGA Action Settlement and Release and all of its attachments and exhibits, which the Settling Parties understand and agree sets forth all material terms and conditions of the Settlement between them, and which is subject to Court approval.

1.44 “Updated Address” means a mailing address that was located by way of NCOA Check or Experian Skip Tracing or an updated mailing address provided by the United States Postal Service or a Class Member and/or Aggrieved Employee.

II. FACTUAL & PROCEDURAL BACKGROUND OF ACTION

2.1 Plaintiff’s Claims: Plaintiff’s Complaint was filed on July 2, 2020 in Los Angeles Superior Court, Case Number 20-STCV-25308. The Complaint alleges the following 6 causes of action: (i) Failure to pay reporting time pay in violation of California Labor Code §§ 218, 1194; (ii) Meal break violations in violation of California Labor Code §§ 200, 226.7, 512; (iii) Rest break violations in violation of California Labor Code §§ 200, 226.7, 512; (iv) Failure to furnish an accurate itemized wage statement upon payment of wages in violation of California Labor Code § 226; (v) Failure to pay all wages owed at termination in violation of California Labor Code §§ 201-203; and (vi) Violation of unfair competition law (Bus. & Prof. Code §§ 17200, *et seq.*). Plaintiff filed a First Amended Complaint on May 13, 2022 adding a PAGA claim seeking penalties under California Labor Code §§ 2698-2699, *et seq.*.

2.2 Discovery, Investigation, & Research: Class-PAGA Counsel has conducted a thorough investigation into the facts of the Action, including extensive informal discovery and exchange of a volume of documents and information, which included and was not limited to, Defendants’ production of a representative sampling of information/data for the putative Class Members sufficient for Plaintiff and her experts to perform an analysis and valuation of all claims. Prior to mediation the Parties

1 exchanged information and documents to investigate the veracity, strength, and scope of the claims,
2 and to allow analysis and evaluation of the claims and Defendants' alleged defenses thereto. The Class
3 Representative has vigorously prosecuted this case, and Defendants have vigorously contested it.

4 2.3 Mediation: On March 5, 2021, the Settling Parties participated in a full-day mediation
5 with the experienced employment mediator Eve Wagner. At mediation, the Parties engaged in
6 intensive discussions regarding their respective evaluations of the Action and various aspects of the
7 Action, including the risks and delays of further litigation, the risks to the Settling Parties of proceeding
8 with class certification, the law relating to the allegations, the evidence produced and analyzed, and the
9 possibility of appeals, among other things. With the assistance of the mediator's evaluation, the Parties
10 reached a settlement of the Action at the mediation. Based on the information, data, and documents
11 exchanged, and their own independent investigation and evaluation, Class-PAGA Counsel is of the
12 opinion that the settlement with Defendants, for the consideration and on the terms set forth in this
13 Stipulation, is fair, reasonable, and adequate, and is in the best interest of the Class Members in light
14 of all known facts and circumstances. Further, the Class Representative has carefully evaluated the
15 terms of the Settlement, and, based upon that review, has determined that it is fair, reasonable, and
16 adequate for the Class Members and Aggrieved Employees.

17 2.4 Allegations of the Class Representative and Benefits of Settlement:

18 a. Based on the exchange of information and documents, the mediation session,
19 and discussions between counsel, Class Representative and Class-PAGA Counsel have assessed the
20 Parties' positions and evaluated the value of the claims of the Class and Aggrieved Employees. The
21 information and documents exchanged by the Parties and settlement discussions are sufficient to
22 reliably assess the merits of the Parties' respective positions and to compromise the issues on a fair and
23 equitable basis.

24 b. Plaintiff and Class-PAGA Counsel believe that the claims, causes of action,
25 allegations and contentions asserted in the Action have merit. However, Plaintiff and Class-PAGA
26 Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings necessary
27 to prosecute the Action against Defendants through trial and through appeals. Class-PAGA Counsel
28 has taken into account the uncertain outcome of the Action, the risk of continued litigation in complex

actions such as this, as well as the difficulties and delays inherent in such litigation, and the potential difficulty of obtaining certification of the Action as well as trying the claims of the Class Members. Class-PAGA Counsel is mindful of the potential problems of proof under, and possible defenses to, the claims alleged in the Action. Class-PAGA Counsel has also taken into account Defendants' alleged defenses to Plaintiff's allegations. Class-PAGA Counsel believes that the Settlement set forth in this Stipulation confers substantial benefits upon Plaintiff and the Class Members and that an independent review of this Stipulation by the Court in the approval process will confirm this conclusion. Based on their own independent investigation and evaluation, Class-PAGA Counsel has determined that the Settlement set forth in the Stipulation is in the best interests of Plaintiff and the Class Members.

2.5 No Admissions or Concessions Regarding Fault or Liability:

a. Defendants vehemently deny all liability alleged by Plaintiff in this Action. Whether or not the Settlement is finally approved, this Stipulation and compliance with this Stipulation shall not be construed as an admission, concession, or indication by any Party with respect to fault or liability whatsoever for the claims asserted in the Action, or as an admission by any Party that the Action is either appropriate or inappropriate for class certification or representative adjudication. Parties agree that the Action is appropriate for class certification and representative adjudication only for the purposes of settlement as described within this Stipulation.

b. Pursuant to California Evidence Code §§ 1152, 1154, and any other analogous rules of evidence that are applicable, neither the Stipulation, nor any act performed or document executed pursuant to, or in furtherance of, the Stipulation: (a) is or may be deemed to be or may be used as an admission or evidence of, the validity of any Released Claims, or of any wrongdoing or liability of the Released Parties, or any of them; or (b) is or may be deemed to be or may be used as an admission or evidence of any fault or omission of the Released Parties, or any of them, in any civil, criminal or administrative proceeding in any court, administrative agency, or other tribunal. Plaintiff and Class-PAGA Counsel agree not to argue or present any argument that Defendants could not contest (or are estopped from contesting) collective or representative action treatment pursuant to California Labor Code §§ 2698, *et seq.*, and/or class action treatment pursuant to California Code of Civil Procedure § 382, or any corresponding state law or rule, on any grounds if the Court fails to enter

1 Judgment. This Stipulation shall not be deemed an admission by Defendants that collective or
2 representative action pursuant to California Labor Code § 2698, *et seq.* and/or class action treatment
3 pursuant to California Code of Civil Procedure § 382, or any corresponding law or rule in the Action
4 is proper or cannot be contested on any grounds, nor shall the Stipulation be grounds for estoppel
5 against Defendants' right to contest class, representative or collective action treatment for any purpose
6 other than this Stipulation.

7 2.6 Defendants' Denial of Wrongdoing or Liability:

8 a. Defendants deny and continue to deny each and all of the allegations, claims,
9 and contentions alleged by Plaintiff in the Action. Defendants have expressly denied and continue to
10 deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements,
11 acts or omissions alleged in the Action. Mr. Stax, Inc. contends that it did not employ Plaintiff or any
12 of the Class Members. Seven Seventy Two Company, Inc. contends it complied in good faith with
13 California and federal wage and hour laws and has dealt legally and fairly with Plaintiff and Class
14 Members. Defendants contend that Seven Seventy Two Company, Inc. appropriately paid Class
15 Members at all times, that Seven Seventy Two Company, Inc. paid reporting time pay, that Seven
16 Seventy Two Company, Inc. always provided Class Members with the opportunity to take timely and
17 compliant meal and rest breaks, and that Seven Seventy Two Company, Inc. provided Class Members
18 with accurate itemized statements upon payment of wages. Defendants contend that they complied
19 with all applicable wage-and-hour laws, and all other laws, at all times, and that, if this matter were to
20 be further litigated, they would have strong defenses on the merits and as to class certification.

21 b. Further, Defendants deny that, for any purpose other than settling this Action,
22 these claims are appropriate for class or representative treatment. Nonetheless, Defendants have
23 concluded that further proceedings in the Action would be protracted and expensive and agree to the
24 Action being fully and finally settled in the manner and upon the terms and conditions set forth in this
25 Stipulation in order to dispose of burdensome and protracted litigation, to permit the operation of
26 Defendants' business without further expensive litigation and the distraction and diversion of their
27 personnel with respect to matters at issue in the Action. In entering into this Stipulation, Defendants
28

1 have also taken into account the uncertainty and risks inherent in any litigation, especially in complex
2 cases such as the Action.

3 c. Defendants do not waive, but rather expressly reserve all rights to challenge all
4 such claims and allegations in the Action upon all procedural and factual grounds, including without
5 limitation the ability to challenge class treatment or representative adjudication, on any grounds or to
6 assert any and all defenses or privileges, if the proposed Settlement is not approved by the Court.

7 **III. CONDITIONAL CLASS CERTIFICATION & APPOINTMENT OF CLASS-PAGA**
8 **COUNSEL**

9 3.1 The Settlement Class. For the purposes of this Stipulation and the Settlement of the
10 Action only, the Parties stipulate to conditional class certification of the Class.

11 3.2 Appointment of Class-PAGA Counsel. For purposes of this Stipulation and subject to
12 the Court's approval, the Parties hereby stipulate to the appointment of Class-PAGA Counsel as counsel
13 for the Class and/or Aggrieved Employees solely in order to effectuate the Settlement pursuant to this
14 Stipulation.

15 **IV. CLASS AND PAGA SETTLEMENT CONSIDERATION**

16 4.1 The Class Representative Service Award.

17 The Class Representative may petition the Court to approve a Service Award in an amount up
18 to \$5,000.00 (five thousand dollars and zero cents) for her efforts on behalf of the Class and Aggrieved
19 Employees in this Action, including assisting in the investigation and consulting with Class-PAGA
20 Counsel and providing crucial documents and information to Class-PAGA Counsel. Defendants shall
21 not oppose any request by the Class Representative for a Service Award in such an amount. Any
22 Service Award approved by the Court shall be paid to the Class Representative from the Gross
23 Settlement Amount and shall be in addition to any distribution to which she may otherwise be entitled
24 as a Settlement Class Member and Aggrieved Employee. The Service Award shall not be considered
25 wages, and the Settlement Administrator shall issue the Class Representative an IRS Form 1099
26 reflecting such payment. The Class Representative shall be solely responsible for the payment of any
27 and all taxes with respect to the Service Award and shall hold Defendants harmless and indemnify
28 Defendants from any and all liability with regard thereto.

1 4.2 Payment to Settlement Class Members.

2 Each Settlement Class Member shall be eligible to receive payment of the Individual Settlement
3 Amount, which is a share of the Net Settlement Amount based on the number of Workweeks worked
4 by the Settlement Class Member relative to the total Workweeks worked by all Settlement Class
5 Members. The Individual Settlement Amount for each Settlement Class Member shall be calculated in
6 accordance with Section 6.2. Each Settlement Class Member, including Plaintiff, shall be responsible
7 for the payment of each of their portion of applicable taxes, if any, and required withholding with
8 respect to his or her Individual Settlement Amount and shall hold Defendants harmless from any and
9 all liability with regard thereto. The Individual Settlement Amount for each Class Member will be
10 reported as 40% wages on IRS Form W-2 and its state and local equivalents and 60% shall be reported
11 as interest and penalties on IRS Form 1099 and its state and local equivalents. Each Settlement Class
12 Member's pro rata distribution amount will be reduced by the amount of any required payroll-related
13 deductions. To the extent any member of the Class disputes any aspect of his or her payment, that
14 member of the Class must produce supporting evidence to the Settlement Administrator. Defendants'
15 records will be presumed determinative.

16 4.3 No Effect on Employee Benefit Plans.

17 Neither the Settlement nor any amounts paid under the Settlement will modify any previously
18 credited hours, days, or weeks of service under any employee benefit plan, policy or program sponsored
19 by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or
20 any other monetary entitlement under Defendants' sponsored benefit plans, policies or programs. The
21 payments made under the terms of this Stipulation shall not be applied retroactively, currently, or on a
22 going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of
23 any of Defendants' benefit plans, policies or programs. Defendants retain the right to modify the
24 language of its benefits plans, policies and programs to effect this intent and to make clear that any
25 amounts paid pursuant to this Stipulation are not for "weeks worked," "weeks paid," "weeks of service,"
26 or any similar measuring term as defined by applicable plans, policies and programs for purpose of
27 eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits
28 are not required by this Stipulation. Defendants do not consider the payments provided for under this

1 Settlement as payments of "compensation" for purposes of determining eligibility for, or benefit accrual
2 within, any benefit plans, policies, or programs, or any other plan sponsored by Defendants.

3 4.4 Attorneys' Fees and Expenses to Class-PAGA Counsel.

4 As part of the motion for final approval of the Settlement, Class-PAGA Counsel may submit
5 an application for an award of attorneys' fees in an amount not to exceed 33% of the Gross Settlement
6 Amount (\$43,333) and reimbursement of incurred litigation costs and expenses of up to Ten Thousand
7 Dollars (\$10,000) (together, "Attorneys' Fees and Expenses"). IRS Forms 1099 and state and local
8 equivalents will be issued to Plaintiff's Counsel for any awarded attorneys' fees and expenses.
9 Defendants agree not to object to any such fee, cost or expense application in those amounts, or lesser
10 amounts. As a condition of this Settlement, Plaintiff's Counsel has agreed to pursue fees only in the
11 manner reflected by this Section. Any Attorneys' Fees and Expenses awarded by the Court shall be
12 paid from the Gross Settlement Amount in arriving at the Net Settlement Amount and shall not
13 constitute payment to any Settlement Class Members. If Class-PAGA Counsel voluntarily reduces the
14 request for Attorneys' Fees and Expenses or the Court's award of Attorneys' Fees and Expenses is less
15 than set forth above, the Net Settlement Amount shall be recalculated to reflect the actual Attorneys'
16 Fees and Expenses awarded. The proceeds from any such reduction of Attorneys' Fees and Expenses
17 shall be reallocated to the Net Settlement Sum and paid to the Settlement Class Member(s) and
18 Aggrieved Employee(s).

19 The Attorneys' Fees and Expenses approved by the Court shall encompass: (a) all work
20 performed and costs and expenses incurred by, or at the direction of, any attorney purporting to
21 represent the Settlement Class and Aggrieved Employees through the date of Preliminary Approval
22 Order; (b) all work to be performed and costs to be incurred in connection with preliminary and final
23 approval by the Court of the Settlement; and (c) all work to be performed and costs and expenses, if
24 any, incurred in connection with administering the Class Settlement through when the Court's Final
25 Approval Order and Judgment are entered.

26 4.5 Settlement Administrator's Costs and Expenses.

27 All costs and expenses due the Settlement Administrator in connection with its administration of
28 the Settlement, including, but not limited to, translating the Class Notice from English into Spanish,

1 providing the Class Notice, locating Settlement Class Member(s) and/or Aggrieved Employees,
2 processing Requests for Exclusion and Objections, and calculating, administering and distributing
3 Individual Settlement Payments to Settlement Class Members, calculating, administering and
4 distributing the PAGA Payment to the LWDA and Aggrieved Employees, and related tax forms, shall
5 be paid from the Gross Settlement Amount, and shall not exceed \$15,000.

6 **V. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS**

7 5.1 The Settlement Administrator.

8 The Settlement Administrator will be responsible for mailing the Class Notice (**Exhibit 1**) to
9 Class Members, providing both English and Spanish translations of the Class Notice (Spanish),
10 handling inquiries from Class Members concerning the Class Notice, determination of Individual
11 Settlement Amounts, maintaining the settlement funds in an appropriate account, preparing,
12 administering and distributing Individual Settlement Payments to Settlement Class Members, issuing
13 a final report and performing such other duties as the Parties may direct. On a weekly basis, the
14 Settlement Administrator will provide reports to Class-PAGA Counsel and Defense Counsel summary
15 information updating them as to the number of valid and timely Requests for Exclusion and complete
16 and timely Objections received. The Settlement Administrator will serve on Class-PAGA Counsel and
17 Defense Counsel via e-mail (a) date-stamped copies of the original Objections and (b) Requests for
18 Exclusion (without individual Class Member names or contact information on the Requests for
19 Exclusion) no later than five (5) calendar days after their receipt. The Settlement Administrator will
20 provide Class-PAGA Counsel with proof of mailing of the Class Notice, without listing individual
21 Class Member names or contact information, which the Settlement Administrator will file with the
22 Court at the time Class-PAGA Counsel files its motion for final approval of the Settlement. No later
23 than fourteen (14) calendar days prior to the Final Approval Hearing, the Settlement Administrator will
24 compile and deliver to Class Counsel and Defense Counsel a report with summary information
25 regarding (a) the total amount of final Individual Settlement Amounts of each Settlement Class Member
26 (b) the number of Settlement Class Members to receive such payments, and (c) the final number of
27 timely and valid Requests for Exclusion and timely and valid Objections, along with the Objecting
28 Class Members respective names and contact information. Administration Expenses are not anticipated

1 to exceed \$15,000. Prior to the calculation and distribution of the Individual Settlement Payments, the
2 Settlement Administrator shall calculate the total Administration Expenses through the conclusion of
3 their services and such actual amount will be deducted from the Gross Settlement Amount prior to the
4 final calculation of the Net Settlement Amount and corresponding Individual Settlement Amounts.

5 5.2 Notice to Class Members.

6 a. If, by entering the Preliminary Approval Order, the Court provides authorization
7 to send the Class Notices, the Settlement Administrator will undertake the mailing of the Class Notice
8 to all Class Members, no later than thirty (30) calendar days after the Preliminary Approval Date. The
9 Class Notices shall be mailed via first class mail through the United States Postal Service, postage pre-
10 paid. The envelope containing the Class Notice shall bear the following phrase in bold type, ¼ inch
11 below the return address or ¼ inch above the addressee's address: RETURN SERVICE REQUESTED.
12 The envelope shall also bear the following phrase in the bottom left-hand corner: IMPORTANT –
13 SEVEN SEVENTY TWO COMPANY, INC. AND MR. STAX, INC. D/B/A/ IHOP CLASS-PAGA
14 ACTION SETTLEMENT INFORMATION. PLEASE OPEN IMMEDIATELY. The mailing
15 enclosing the Class Notice will not contain any other materials. The Class Notice and its envelope or
16 covering shall be marked to denote the return address of the Settlement Administrator.

17 Within twenty (20) calendar days after issuance of a Preliminary Approval Order, Defendants shall
18 provide the Administrator, in an electronically usable format, with first and last name, last known
19 residential address, residential telephone numbers, last 4 digits of social security number, and workweeks
20 worked during the Class Period, for the Class Member(s) ("Class List"). The Class List shall also identify
21 Aggrieved Employees. Defendants will use their best efforts to provide the Administrator with an accurate
22 and complete Class List upon which the Administrator will rely in making distributions. By approving
23 this Settlement, the Court will be deemed to have authorized Defendants to provide the Settlement
24 Administrator with this information, including the social security numbers of the Class Members and/or
25 Aggrieved Employees. The Class List, and any other data provided by Defendants to the Settlement
26 Administrator shall be treated as confidential and not subject to disclosure by the Settlement
27 Administrator, except as necessary to address disputes regarding Workweeks, to respond to a specific
28 inquiry from a Class Member, and/or as otherwise necessary for the Settlement Administrator to

1 perform their obligations described in this Stipulation. In general, Class-PAGA Counsel should not be
2 given access to the Class List. Should a Class Member and/or Aggrieved Employee request assistance
3 from Class-PAGA Counsel with respect to this Settlement, Plaintiff's Counsel will be permitted to
4 assist the member(s) of the Class and/or Aggrieved Employee(s), but if Class-PAGA Counsel needs
5 information contained in the Class List, Class-PAGA Counsel will first direct the member of the Class
6 to the Settlement Administrator for further assistance; if the Settlement Administrator is unable to assist
7 or unable to fully assist the member of the Class and/or Aggrieved Employee, the Plaintiff's Counsel
8 may be provided with the necessary information (the name, address, and workweeks only) of that
9 specific member of the Class and/or Aggrieved Employee to assist the member of the Class and/or
10 Aggrieved Employee. Further, the Settlement Administrator shall use commercially reasonable efforts
11 to secure the data provided by Defendants at all times so as to avoid inadvertent or unauthorized
12 disclosure or use of such data other than as permitted by this Stipulation, and shall destroy the data
13 (and all copies of it) in a complete and secure manner when such data is no longer required for purposes
14 of this Stipulation. Aside from Objectors, at no time during the settlement process will any Class
15 Member's and/or Aggrieved Employee's address or telephone number be filed with the Court. At no
16 time will any Class Member's and/or Aggrieved Employee's social security number be filed with or
17 disclosed to the Court. The Settlement Administrator shall ensure that the notices and any other
18 communications to Class Members and/or Aggrieved Employees shall not include the Class Members'
19 and/or Aggrieved Employees' social security number, except for the last four digits.

20 b. Prior to mailing the Class Notice, the Settlement Administrator shall undertake
21 a NCOA check to ascertain the accuracy of the Last Known Address of the Class Members. To the
22 extent this process yields an Updated Address, the Updated Address shall replace the Last Known
23 Address and be treated as the new Last Known Address for purposes of this Stipulation, for Class
24 Notice mailing, and mailing of settlement checks.

25 c. If a Class Member is known to be deceased, the Class Notice for that deceased
26 Class Member shall be mailed to the Last Known Address (or Updated Address, if applicable) of the
27 legal representative of the deceased Class Member's estate, to the extent known.

d. In the event that subsequent to the first mailing of a Class Notice and prior to the Response Deadline, that Class Notice is returned to the Settlement Administrator by the United States Postal Service as undeliverable, without a forwarding address, the Settlement Administrator shall undertake an Experian Skip Tracing with respect to the Class Member to attempt to ascertain the current address of the particular Class Member in question and, if such an address is ascertained, the Settlement Administrator will re-send the Class Notice to the newly-found address within three (3) business days of receipt of the returned Class Notice. In the event that subsequent to the first mailing of a Class Notice and prior to the Response Deadline that Class Notice is returned to the Settlement Administrator by the United States Postal Service with a forwarding address for the recipient, the Settlement Administrator shall re-mail the notice to that address within three (3) business days of receipt of the returned Class Notice, and the forwarding address shall be the Updated Address for that Class Member. In the event that subsequent to the first mailing of a Class Notice is returned to the Settlement Administrator by the United States Postal Service as undeliverable, after the Response Deadline, the Settlement Administrator shall continue efforts to locate updated addresses for returned notices throughout the 45-day notice period. In the event the Settlement Administrator must re-mail any Class Notice pursuant to the provisions of this Paragraph due to being returned, the Response Deadline shall be extended by ten (10) calendar days from the date of the re-mailing of the Class Notice, for those mailings. The Settlement Administrator shall include a cover letter with any re-mailing informing the Class Member of the re-mailing of the Class Notice and extended Response Deadline. Compliance with the procedures described in this paragraph shall constitute due and sufficient notice to Class Members of the Settlement and of the Final Approval Hearing and shall satisfy the requirements of due process. Nothing else shall be required of or done by the Parties, Class-PAGA Counsel, Counsel for Defendants, or the Settlement Administrator to provide notice of the Settlement and the Final Approval Hearing.

5.3 Declaration of Compliance.

No later than twenty (20) calendar days after the Response Deadline (or any applicable extended Response Deadline), the Settlement Administrator shall provide Class-PAGA Counsel and Counsel for Defendants with a declaration attesting to completion of the notice process, including any attempts to

1 obtain Updated Addresses for, and the re-sending of, any returned Class Notices, including any and all
2 other required steps (“Declaration of Compliance”), which shall be filed with the Court by Class-PAGA
3 Counsel.

4 5.4 Responses to the Notice of Proposed Class Action Settlement.

5 Pursuant to California Rule of Court 3.766(d)(5), Class Members have the option to enter an
6 appearance in this Litigation at their own expense by obtaining their own attorney(s). Class Members
7 who choose this option will be responsible for any attorneys’ fees or costs incurred as a result of this
8 election. The Class Notice will advise Class Members of this option.

9 5.5 Objections to Settlement.

10 Class Members who do not submit timely and valid Requests for Exclusion may object to the
11 Settlement by filing written objections (“Objection(s)”) with the Court and serving a copy on the Parties
12 by submitting the copy to the Settlement Administrator no later than the Response Deadline. The
13 Objection must: contain the Class Member’s full name, dates of employment as an employee of
14 Defendants, and signature; contain the case name and number of the Action; set forth the legal and
15 factual basis for the objection; and identify any counsel representing the Class Member in connection
16 with the Objection. A Class Member who objects to the Settlement will still be considered a Settlement
17 Class Member. The Settlement Administrator shall provide a copy of any Objections that it receives
18 to Class-PAGA Counsel and Counsel for Defendants. Any Class Member who does not make his or
19 her objection in the manner provided for in this Settlement Agreement shall be deemed to have waived
20 such objection(s) and shall forever be foreclosed from making any objection(s) to the Settlement, unless
21 otherwise ordered by the Court.

22 5.6 Opting Out of Class Settlement.

23 Class Members may elect to opt out of the Class Settlement and, thus, exclude themselves from
24 the Settlement Class. Class Members who wish to exercise this option must mail to the Settlement
25 Administrator a written Request for Exclusion that is postmarked on or before the Response Deadline.
26 If a timely and valid Request for Exclusion is not received by the Settlement Administrator from a
27 Class Member on or before the Response Deadline, then that Class Member will be deemed to have
28 forever waived his or her right to seek exclusion from the Settlement and Settlement Class and shall be

1 bound by the Settlement and Judgment. The Class Notice will advise Class Members of the option to
2 opt out of the Settlement and will contain instructions on how to do so. Class Members who do validly
3 request exclusion from the Class Settlement by submitting a valid and timely Request for Exclusion
4 shall not be bound by the terms of the Class Settlement, shall not be allowed to object to the Settlement,
5 and shall not be entitled to any benefits as a result of the Class Settlement.

6 In the event that any Class Member timely submits a Request for Exclusion, but it is deficient,
7 as soon as possible but not later than five (5) business days after the Settlement Administrator's receipt
8 of such deficient Request for Exclusion, the Settlement Administrator shall send by first class, postage
9 pre-paid, United States mail a notice to such Class Member informing him or her of the deficiency and
10 that he or she has ten (10) calendar days from the date of the deficiency notice (which shall be the date
11 the deficiency notice is mailed) to cure the deficiency and postmark and mail a corrected Request for
12 Exclusion.

13 The Parties agree that the Response Deadline shall not be extended, and no untimely submissions
14 will be honored, under any circumstances, unless mutually agreed to by the Parties.

15 **5.7 Right to Monitor and Review.**

16 All counsel have the right to monitor and review administration of the Settlement to verify that
17 the monies allocated to the Class Members and/or Aggrieved Employees are distributed in the correct
18 amount and to the proper Class Members and/or Aggrieved Employee, as well as ensure that the proper
19 mailing and administration is taking place (or took place).

20 **VI. CLASS SETTLEMENT & PAGA SETTLEMENT FUNDING AND DISTRIBUTION**

21 **6.1 Allocation of the Gross Settlement Amount.** The "Gross Settlement Amount" means
22 the total sum of no more and no less than One Hundred Thirty Thousand Dollars (\$130,000), that
23 Defendants shall pay under the terms of the Settlement (subject to the occurrence of the Effective Date),
24 inclusive of and allocated as follows:

25 a. Attorneys' Fees and Expenses, not to exceed \$43,333 in fees and not to exceed
26 \$10,000 in incurred litigation costs and expenses, to Class-PAGA Counsel;

27 b. Administration Expenses, not to exceed \$15,000, to the Settlement
28 Administrator;

c. Service Award to the Class Representative, not to exceed \$5,000;

d. The amount of 75% of the PAGA Payment (totaling \$10,000), in the amount of \$7,500, to the State of California for the benefit of the LWDA (“LWDA Payment”);

e. The amount of 25% of the PAGA Payment (totaling \$2,500), in the amount of \$2,500, to the Aggrieved Employees (“Aggrieved Employee Settlement Amount”); and

f. Net Settlement Amount.

The “Net Settlement Sum” or “Net Settlement Amount” means the net amount that Defendants will pay (subject to the occurrence of the Effective Date) to all Settlement Class Members, and is calculated by subtracting Section 6.1(a)-(e) from the Gross Settlement Amount.

6.2 Calculation of the Individual Class Settlement Amounts. Individual Settlement Amounts to be paid to Settlement Class Members shall be paid from the Net Settlement Amount. For purposes of calculating the *estimated* Individual Settlement Amounts, the Settlement Administrator shall calculate the estimated Net Settlement Amount based on the estimated values in Section 6.1(a)-(e) prior to sending Class Notice to the Class Members. Prior to final distribution, the Settlement Administrator shall calculate the *final* Net Settlement Amount based on the actual values in Section 6.1(a)-(e).

The portion of the Net Settlement Amount payable to each Settlement Class Member will be calculated as follows: The “Workweeks” are calculated as the combined total of workweeks worked by each Class member during the Class Period. The Settlement Administrator shall divide the Net Settlement Amount by the total number of Workweeks worked by the Class Members during the Class Period in order to determine the amount each Settlement Class Member is entitled to for each Workweek (the “Weekly Amount”) worked. The Settlement Administrator will multiply the Weekly Amount by the total number of Workweeks that each Settlement Class Member is credited with to arrive at his or her Individual Settlement Amount. The Settlement Class Members will be issued payments of their Individual Settlement Amount subject to reduction for Employment and Payroll Taxes, and the net payment is referred to as an “Individual Settlement Payment.”

Defendants will provide the Settlement Administrator with any information that is in the Defendants’ possession reasonably necessary to perform the calculation of Workweeks for each

1 Settlement Class Member, and any other reasonably required information the Settlement Administrator
2 requests to perform the calculations required under this Stipulation.

3 Settlement Class Members will have one hundred and eighty (180) calendar days to negotiate
4 their respective settlement payments under this Agreement. Any checks not negotiated within the one
5 hundred and eighty (180) calendar days will be subject to handling in conformity with Section 6.6.

6 6.3 Composition of Payments to Settlement Class Members: Each Individual Settlement
7 Amount will be allocated as follows: 40% shall be reported as wages on IRS Form W-2 and its state
8 and local equivalents, and 60% shall be reported as interest and penalties on IRS Form 1099 and its
9 state and local equivalents. The wage portion shall be subject to Employment and Payroll Taxes. The
10 non-wage portion will not be subject to any Employment and Payroll Taxes.

11 Other than the withholding of Employment and Payroll Taxes with respect to the wage portion
12 of Individual Settlement Amounts, the Class Representative and the Settlement Class Members are
13 solely responsible for the reporting and payment of the employee's share of any federal, state, and/or
14 local income or other tax or any other withholdings due with respect to any other funds received as a
15 part of the Settlement, if any. The Class Representative agrees to defend and hold Defendants harmless
16 for and against any damage or tax penalty Defendants incur as a result of the failure by the Class
17 Representative to pay all taxes due by her receipt of payments pursuant to this Stipulation. Class-
18 PAGA Counsel, Defendants, and Defendants' Counsel shall have no responsibility for deciding the
19 validity of the Individual Settlement Amounts or any other payments made pursuant to this Stipulation,
20 shall have no involvement in or responsibility for the determination or payment of the Settlement taxes
21 and required withholdings, and shall have no liability for any errors made with respect to such taxes
22 and required withholdings. Although the Settlement Administrator will calculate and pay the standard
23 applicable taxes and required withholdings, if any, on the portion of the Individual Settlement Amounts
24 constituting wages on the behalf of the Settlement Class Members, Plaintiff and Settlement Class
25 Members shall be solely responsible for any and all employee's share of tax obligations associated with
26 their respective Individual Settlement Amounts and Service Awards.

27 The Parties agree (and the Settlement Administrator shall warrant) that the Settlement shall be
28 administered as a qualifying, designated settlement fund pursuant to Section 468B of the Internal

1 Revenue Code. The Settlement Administrator shall be responsible for issuing all settlement payments
2 and handling all required state and federal tax withholding and reporting related thereto.

3 6.4 Composition of Payments to Plaintiff and Aggrieved Employees. Plaintiff and each
4 Aggrieved Employee shall receive a portion of the Aggrieved Employees' PAGA Settlement Amount
5 ("Individual PAGA Settlement Payments") on a pro-rata basis by multiplying the Aggrieved
6 Employees' PAGA Settlement Amount by the ratio of (i) the number of pay periods worked by the
7 Aggrieved Employee any time during the PAGA Period to (ii) the total number of pay periods worked
8 by all Aggrieved Employees during the PAGA Period. No benefit, including but not limited to 401(k),
9 shall increase or accrue as a result of any payment made as a result of this Settlement.

10 a. The Parties recognize that the settlement amounts to be paid to the Aggrieved
11 Employees are penalties. The Parties agree that the Aggrieved Employees payments shall be reported
12 as interest and penalties on IRS Form 1099 and its state and local equivalent.

13 b. To the extent any of the Aggrieved Employees disputes any aspect of his or her
14 payment, he or she must produce supporting evidence to the settlement administrator. Defendants'
15 records will be presumed determinative.

16 c. The Parties will prepare a mutually agreeable letter that will be sent by the
17 Settlement Administrator to the Aggrieved Employees notifying them of the PAGA settlement
18 ("PAGA Cover Letter").

19 d. The scope of the PAGA release is for any claim for alleged PAGA civil
20 penalties, unpaid wages during the PAGA Period, and California Labor Code §§ 200, 201-203, 204,
21 218, 218.5, 226, 226(a), 226.3, 226.7, 510, 512, 1174, 1194, 1198, 2698-2699.5.

22 6.5 The Parties further agree that they will inform the State of California that the scope of
23 the PAGA release is for any claim for alleged PAGA civil penalties, unpaid wages during the PAGA
24 Period, and California Labor Code §§ 200, 201-203, 204, 218, 218.5, 226, 226(a), 226.3, 226.7, 510,
25 512, 1174, 1194, 1198, 2698-2699.5, as required by Labor Code section 2699(l).

26 6.6 Aggrieved Employees may not opt out of the settlement of the claim pursuant to the
27 Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, et seq.
28

1 6.7 Time for Funding and Distribution of Payments under the Settlement. Within thirty (30)
2 calendar days after the Effective Date, Defendants shall deposit the Gross Settlement Amount of
3 \$130,000 into a qualified settlement account established by the Settlement Administrator. No later
4 than five (5) calendar days after Defendants deposit the Gross Settlement Amount with the Settlement
5 Administrator, the Settlement Administrator shall distribute the following payments: Individual
6 Settlement Payments to Settlement Class Members, Attorneys' Fees and Expenses to Class-PAGA
7 Counsel, Service Award to the Class Representative, Individual PAGA Settlement Payments to
8 Aggrieved Employees, and LWDA Payment to the LWDA, all in the Court-approved amounts. The
9 Settlement Administrator shall make every effort to pay the applicable taxes and required withholdings,
10 if any, associated with each Settlement Class Member's Individual Settlement Amount and mail the
11 Individual Settlement Payment to each Settlement Class Member, by first-class U.S. mail, to the last-
12 known address no later than five (5) calendar days after Defendants deposit the Gross Settlement
13 Amount with the Settlement Administrator. If the Settlement Administrator is not able to do so within
14 the time period set forth above, it shall so inform Class-PAGA Counsel and provide an approximate
15 date by which the applicable taxes and required withholdings shall be paid and the Individual
16 Settlement Payments and Individual PAGA Settlement Payments will be mailed. Under no
17 circumstances shall the Settlement Administrator distribute checks to Settlement Class Members and/or
18 Aggrieved Employees until all Individual Settlement Payments and Individual PAGA Settlement
19 Payments have been considered, calculated and accounted for, and all of the remaining monetary
20 obligations have been calculated and accounted for. Within two hundred (200) calendar days of the
21 Effective Date, the Settlement Administrator shall file with the Court and provide to Class-PAGA
22 Counsel and Defense Counsel a declaration of payment and remittance to the State Controller for the
23 State of California of the proceeds from any non-cashed settlement checks issued. In the event that any
24 Settlement Class Member and/or Aggrieved Employee is deceased, payment shall be made payable to
25 the estate of that Settlement Class Member and/or Aggrieved Employee and delivered to the executor
26 or administrator of that estate, unless the Settlement Administrator has received an affidavit or
27 declaration pursuant to California Probate Code § 13101, in which case payment shall be made to the
28 affiant(s) or declarant(s).

1 Defendants will place payment of the Gross Settlement Amount into the Settlement
2 Administrator's qualified settlement account that is FDIC insured. The Parties agree no distribution of
3 any portion of the Gross Settlement Amount is permitted until the Court signs the Final Approval Order
4 and Judgment (as defined in Section 1.20). Should the Settlement be nullified for the reasons described
5 in Section 7 (including 7.1 through 7.5), then any portion of the Gross Settlement Amount already
6 deposited into the qualified settlement account will be returned to Defendants within three (3) business
7 days of the nullification event, regardless of whether or not Plaintiff objects, as Plaintiff's consent will
8 not be required.

9 6.8 Non-Cashed Settlement Checks. Individual Settlement Payment and/or Individual
10 PAGA Settlement Payment checks shall be valid for a period of one hundred and eighty (180) calendar
11 days after they are mailed, and thereafter, will be cancelled. Any unclaimed portion of the amount of the
12 Net Settlement Fund allocated to Class Members or Individual PAGA Settlement Payment allocated to
13 an Aggrieved Employee shall be paid to the State Controller for the State of California, with the identity
14 of the Class Member and/or Aggrieved Employee to whom the funds belong, and shall be held in trust for
15 the Participating Class Member and/or Aggrieved Employee per the California Unclaimed Property Law,
16 codified in California Code of Civil Procedure § 1500 et. seq., and specifically pursuant to California Code
17 of Civil Procedure § 1513(g). The money paid to the State Controller shall be held in trust for the
18 Participating Class Member and/or Aggrieved Employee and will remain the Class Member's and/or
19 Aggrieved Employee's sole and exclusive property. This will allow Class Members and/or Aggrieved
20 Employees who did not cash their checks to collect their Individual Settlement Amount and/or Individual
21 PAGA Settlement Payments at any time in the future. Therefore, there will be no unpaid residue or
22 unclaimed or abandoned Class Member and/or Aggrieved Employee funds and the California Code of
23 Civil Procedure section 384 shall not apply.

24 **VII. NULLIFICATION OF THIS STIPULATION**

25 7.1 Non-Approval of the Stipulation. If (a) the Court should for any reason fail to approve
26 this Stipulation in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter
27 Judgment of the Action, or (c) the approval of the Settlement and Judgment is reversed, modified or
28 declared or rendered void, then the Settlement and conditional class certification shall be considered

1 null and void, and neither the Settlement, conditional class certification, nor any of the related
2 negotiations or proceedings, shall be of any force or effect, and all parties to the Settlement shall stand
3 in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with
4 the Court. Notwithstanding the foregoing, the Parties shall attempt in good faith to cure any perceived
5 defects in the Stipulation to facilitate approval.

6 7.2 Defendants' Right to Void or Rescind Settlement Due to Opt-Outs. If more than ten
7 percent (10%) of the Class Members submit timely and valid Requests for Exclusions or Objections,
8 Defendants shall have the option, in their sole discretion, to rescind this Stipulation, whereupon the
9 Settlement and Stipulation shall be null and void for any and all purposes and may not be used or
10 introduced in the Action or any other proceeding. The Parties will be restored to their respective
11 positions in the Action as if this Settlement was never negotiated, drafted, or agreed upon and the
12 operative complaint will be the initial complaint notwithstanding nullification or rescission of this
13 Settlement. The Settlement Administrator shall notify Class-PAGA Counsel and Counsel for
14 Defendants of the total number of timely and valid Requests for Exclusion and the individual settlement
15 value for each such Class Members had they not opted out by no later than fourteen (14) days after the
16 Response Deadline.

17 7.3 Invalidation.

18 Invalidation of any portion of the Settlement shall invalidate the Settlement in its entirety, unless
19 the Parties through their counsel may subsequently agree in writing that the remaining provisions of
20 the Settlement are to remain in full force and effect.

21 7.4 Stay Upon Appeal.

22 In the event of a timely valid appeal from the approval of the Settlement and Judgment by a Class
23 Member with standing to file same, the Judgment shall be stayed, and Defendants shall not be obligated
24 to fund the Gross Settlement Amount or take any other actions required by this Stipulation until all
25 appeal rights have been exhausted by operation of law.

26 7.5 Notice in Writing. Unless otherwise ordered by the Court, in the event the Stipulation
27 shall be terminated, cancelled, declared void, or fails to become effective in accordance with its terms,
28

1 within ten (10) business days after written notification of such event, Defendants and Class-PAGA
2 Counsel shall notify each other of this event in writing.

3 **VIII. MOTION FOR COURT APPROVAL**

4 8.1 Preliminary Approval. Class-PAGA Counsel shall submit this Stipulation to the Court
5 for preliminary approval and determination by the Court as to its fairness, adequacy, and
6 reasonableness, and entry of a Preliminary Approval Order substantially in the form filed concurrently
7 herewith as **Exhibit 2**, which schedules a hearing on the question of whether the Settlement should be
8 subject to final approval as fair, reasonable, and adequate as to the Settlement Class Members and
9 Aggrieved Employees, approving as to form and content the proposed Class Notice attached hereto as
10 **Exhibit 1**, and directing the mailing of the Class Notice to Class Members.

11 Except for as provided in Section 7.4 hereinabove, failure of the Court to enter the Preliminary
12 Approval Order in its entirety will be grounds for Parties to terminate the Settlement and the terms of
13 this Stipulation pursuant to Section 7.1; however, pursuant to Section 7.1, the Parties are to take all
14 reasonable steps to cure any deficiencies so as to avoid any termination of the Settlement.

15 8.2 Final Approval. The Final Approval Hearing shall be held before the Court. At the Final
16 Approval Hearing, Plaintiff shall move the Court for the entry of the final order certifying the
17 Settlement Class for settlement purposes only and approving the Settlement as being fair, reasonable
18 and adequate to the Settlement Class Members within the meaning of California Rules of Court, Rule
19 3.769(c), (d) and (e) and for the entry of a final Judgment of the Action consistent with the terms of the
20 Settlement and California Rule of Court 3.769(h). Should the Court require Class-PAGA Counsel
21 and/or Defense Counsel to submit any pleadings and/or evidence for the Court's determination, the
22 Parties will comply to the extent reasonable.

23 8.3 Entry of Judgment. Pursuant to California Rule of Court 3.769(h) and any other
24 applicable rules, if the court approves this Settlement after the Final Approval Hearing, the Court must
25 make and enter Judgment. The Judgment must include a provision pursuant to California Code of Civil
26 Procedure § 664.6, for the retention of the Court's jurisdiction over the parties to enforce the terms of
27 the Judgment. This Judgment shall be a judgment for purposes of California Rule of Court 3.771(a).

28 **IX. RELEASES AND WAIVERS**

1 9.1 Release of Claims by Settlement Class Members and Plaintiff. Upon the occurrence of
2 the Effective Date and the date Defendants fully funds the “Gross Settlement Amount,” each Settlement
3 Class Member and Plaintiff, each release and discharge, the Released Parties, and each of them, of and
4 from any and all Released Claims.

5 It is the desire of the Parties and the Class Members to fully, finally, and forever settle,
6 compromise, and discharge the Released Claims.

7 Plaintiff and each Class Member (except those who submit a timely and valid Request for
8 Exclusion), will be bound to the release of Released Claims as a result of the Settlement and to the
9 terms of the judgment.

10 **X. DUTIES OF THE PARTIES**

11 10.1 Mutual Full Cooperation. The Parties agree to cooperate fully with one another to
12 accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be
13 limited to, execution of such other documents and the taking of such other actions as may reasonably
14 be necessary to fulfill the terms of this Settlement. The Parties shall use their best efforts, including all
15 efforts contemplated by this Stipulation and any other efforts that may become necessary by court order
16 or otherwise, to effectuate this Stipulation and the terms set forth herein. Class-PAGA Counsel, with
17 the cooperation of Defendants and Defense Counsel, shall take all necessary and reasonable steps to
18 secure the Court’s preliminary approval and final approval of the proposed Settlement.

19 10.2 Duty to Support and Defend the Settlement. The Parties agree to abide by all of the
20 terms of the Settlement in good faith and to support the Settlement fully and to use their best efforts to
21 defend this Settlement from any legal challenge, whether by appeal or collateral attack.

22 10.3 Duties Prior to Court Approval. Class-PAGA Counsel shall submit this Stipulation to
23 the Court for Preliminary Approval and determination by the Court as to its fairness, adequacy, and
24 reasonableness. Class-PAGA Counsel shall apply to the Court for the entry of a Preliminary Order
25 substantially in the form filed concurrently herewith as **Exhibit 2**, scheduling a hearing on the question
26 of whether the proposed Settlement should be approved as fair, reasonable, and adequate as to the
27 Settlement Class Members, approving as to form and content the proposed Class Notice attached hereto
28 as **Exhibit 1**, and directing the mailing of the Class Notice to Settlement Class Members. While

Defendants can reserve their right to object to facts or assertions made in the moving papers, Defense Counsel shall file a notice of non-opposition to the granting of the Motion for Preliminary Approval or join in the motion, after giving Defense Counsel a chance to first review the moving papers.

XI. GENERAL RELEASE OF CLASS REPRESENTATIVE'S CLAIMS

In exchange for the Service Award, the Class Representative releases and discharges all Released Parties, including Seven Ninety Two Company, Inc. and Mr. Stax, Inc., from any and all claims, including but not limited to: Any and all wage-and hour claims arising under the laws of the State of California, including, without limitation, statutory, constitutional, contractual, and/or common law claims for wages, damages, restitution, unreimbursed expenses, equitable relief, penalties, liquidated damages, and/or punitive damages (including, without limitation, claims under any applicable Industrial Welfare Commission Wage Order, the California Private Attorneys General Act, or any other provision of the California Labor Code); Title VII of the Civil Rights Act of 1964; 42 U.S.C. § 1981; the Americans With Disabilities Act; Sections 503 and 504 of the Rehabilitation Act of 1973; the Family Medical Leave Act; the Fair Labor Standards Act; the Employee Retirement Income Security Act; the Occupational Safety and Health Act; the Worker Adjustment and Retraining Notification Act, as amended; the California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 et seq.); the California Fair Employment and Housing Act; any state, civil, or statutory laws, including any and all human rights laws and laws against discrimination; any claims that could have been alleged in the Lawsuit; and any other federal, state, or local statutes, codes, or ordinances; any common law, contract law, or tort law cause of action; and any claims for interest, attorneys' fees, and/or costs. Additionally, in exchange for her Service Award, the Class Representative expressly waives the protections of California Civil Code section 1542, and it is her intention in executing this Memorandum of Understanding that the same shall be effective as a bar to each and every claim, complaint, action, debts, promises, demand, cause of action, obligation, damage, liability, charge, attorneys' fees and costs herein above released. The Class Representative hereby expressly waives and relinquishes all of her rights and benefits, if any, arising under California Civil Code section 1542, which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR
OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**

1 **FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY**
2 **HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER**
3 **SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

4 **XII. MISCELLANEOUS PROVISIONS**

5 12.1 No Prior Assignments. The Parties represent, covenant, and warrant that they have not
6 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber
7 to any person or entity any portion of any liability, claim, demand, action, cause of action, or right
8 herein released and discharged except as set forth herein.

9 12.2 Non-Admission. Nothing in this Stipulation shall be construed as or deemed to be an
10 admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party,
11 or any other person, and the Parties specifically disclaim any liability, culpability, negligence, or
12 wrongdoing toward each other or any other person. Each of the Parties has entered into this Stipulation
13 with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses,
14 and contingencies. Nothing herein shall constitute any admission by the Released Parties of
15 wrongdoing or liability, or of the truth of any factual allegations in the Action. Nothing herein shall
16 constitute any admission by the Released Parties regarding the merits of the claims in this Action,
17 including but not limited to claims for unpaid wages or other compensation, benefits or penalties under
18 California and/or federal law. Nothing herein shall constitute an admission by the Released Parties that
19 the Action was properly brought as a class or representative action other than for settlement purposes.
20 To the contrary, the Released Parties have denied and continue to deny each and every material factual
21 allegation and all Claims. To this end, the Class Settlement of the Action, the negotiation and execution
22 of this Stipulation, and all acts performed or documents executed pursuant to or in furtherance of this
23 Stipulation or the Class Settlement are not, shall not be deemed to be, and may not be used as, an
24 admission or evidence of any wrongdoing or liability on the part of the Released Parties or of the truth
25 of any of the factual allegations in the Complaint in the Action; and are not, shall not be deemed to be,
26 and may not be used as, an admission or evidence of any fault or omission on the part of the Released
27 Parties in any civil, criminal or administrative proceeding in any court, administrative or governmental
28 agency or other tribunal.

1 12.3 No Publicity.

2 a. Plaintiff and her counsel agree that they will not issue any press releases
3 associated with the Settlement, initiate any contact with the press, respond to any press inquiry, post
4 on any internet websites, or have any communication with the press about the Action, or place any
5 internal or external advertising or marketing materials, including but not limited to any website(s),
6 maintained by Plaintiff's Counsel, of the fact, amount or terms of the Settlement.

7 b. Plaintiff and Defendants, and their respective counsel, recognize, and accept
8 that the Parties to this Stipulation desire that information regarding the terms of this Stipulation, the
9 fact of the Settlement embodied in this Stipulation, the disposition of the Action, the Action, and all
10 matters relating to the litigation of the Action, including discovery proceedings therein, and evidence
11 obtained during the course of the Action, shall be provided to the Class by way of the Court-approved
12 Class Notice and public access to Court records in the Action. Prior to final approval order and with
13 respect to communications about the contents of this Settlement/Stipulation, Plaintiff and her counsel
14 will limit any communications with Class Members, Aggrieved Employees, or anyone else about the
15 Settlement/Stipulation, to the information contained in the forthcoming Court-approved notice and
16 direct Class Members and/or Aggrieved Employees to the third-party administrator if necessary. After
17 final approval, Plaintiff and Plaintiff's Counsel will keep the terms of this Stipulation confidential
18 except with respect to discussions with Class Members and/or Aggrieved Employees, the Settlement
19 Administrator, and where required by law or legal compulsion. With respect to any communications
20 with Class Members and/or Aggrieved Employees after final approval, Plaintiff's and/or Plaintiff's
21 Counsel's communications with Class Members and/or Aggrieved Employees will be limited to
22 discussion regarding the terms of the settlement, if Class Members and/or Aggrieved Employees have
23 any further or more specific questions, Plaintiff and Plaintiff's Counsel will direct Class Members
24 and/or Aggrieved Employees to the Settlement Administrator.

25 12.4 Non-Retaliation. Defendants understand and acknowledge that they have a legal
26 obligation not to retaliate against any Class Member and/or Aggrieved Employee who elects to
27 participate in the Settlement or elects to opt out of the Settlement. Defendants will refer any inquiries
28 regarding this Settlement to the Settlement Administrator or Class-PAGA Counsel and will not

discourage Class Members who are currently working for Defendants, directly or indirectly, from making claims, opting out, or objecting to, the Class Settlement.

12.5 Construction. The Parties hereto agree that the terms and conditions of this Stipulation are the result of lengthy, intensive, arms-length non-collusive negotiations between the Parties and that this Stipulation is not to be construed in favor of or against any Party by reason of the extent to which any Party or its counsel participated in the drafting of this Stipulation. If any of the dates in the Stipulation fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day.

12.6 The language of all parts of this Stipulation shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either Party. No Party shall be deemed the drafter of this Stipulation. The Parties acknowledge that the terms of the Stipulation are contractual and are the product of negotiations between the Parties and their counsel. Each Party and his/her/its counsel cooperated in the drafting and preparation of the Stipulation. In any construction to be made of the Stipulation, the Stipulation shall not be construed against any Party and the canon of contract interpretation set forth in California Civil Code section 1654 shall not be applied.

12.7 Governing Law. The Stipulation and the exhibits hereto shall be considered to have been negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and the rights and obligations of the Parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of California without regard to conflict of law principles in all respects, including execution, interpretation, performance, and enforcement.

12.8 Notices. Except for mailing of the Class Notice to Class Members, any and all notices or other communications required or permitted under this Stipulation shall be in writing and shall be sufficiently given if delivered to the Party or their counsel by U.S. mail, postage prepaid, e-mail, facsimile, or overnight delivery, addressed to the address of the Party appearing in this Stipulation.

12.9 Captions and Interpretations. Section titles or captions contained herein are inserted as a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of this Stipulation or any provision thereof.

1 12.10 Modification. This Stipulation may not be changed, altered, or modified, except in
2 writing signed by the Parties' counsel. In the event that the Court requires certain changes to this
3 Stipulation, the Parties agree that such amendments can be made through a stipulation signed solely by
4 their counsel, provided that such amendment conforms precisely to the Court's order.

5 12.11 Integration Clause. This Stipulation contains the entire agreement between the Parties
6 relating to the Settlement of the Action and the transactions contemplated thereby, and all prior or
7 contemporaneous agreements, understandings, representations, and statements, whether oral or written,
8 and whether by a party or such party's legal counsel, are hereby superseded. No rights under this
9 Stipulation may be waived.

10 12.12 Successors and Assigns. This Stipulation shall be binding upon and inure to the benefit
11 of the Parties, Aggrieved Employees, and Settlement Class Members (excluding only persons who
12 submit a timely and valid Request for Exclusion) and their respective present and former heirs, trustees,
13 executors, administrators, representatives, officers, directors, shareholders, agents, employees,
14 insurers, attorneys, accountants, auditors, advisors, consultants, pension and welfare benefit plans,
15 fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors,
16 successors, and assigns.

17 12.13 Other Signatories. Any person executing this Stipulation or any such related document,
18 on behalf of a corporate signatory or on behalf of a deceased individual hereby warrants and promises,
19 for the benefit of all Parties hereto, that such person has been duly authorized by such corporation or
20 deceased individual's estate, heirs, etc., to execute this Stipulation or any such related document.

21 12.14 No Third-Party Beneficiaries. The Stipulation shall be binding upon, and inure to the
22 benefit of, the successors and assigns of the Parties hereto; however, this Stipulation is not designed to
23 and does not create any third-party beneficiaries unless otherwise specifically provided herein.

24 12.15 Other Claims. No person shall have any claim against the Class Representative, Class-
25 PAGA Counsel, Defendants' Counsel, the Settlement Administrator, or any of the Released Parties
26 based on the payments made or other actions taken substantially in accordance with this Stipulation
27 and the settlement contained herein or further orders of the Court.
28

1 12.16 Attorney Fees, Costs and Expenses. Except as otherwise specifically provided for
2 herein, each Party shall bear her, his, or its own attorney fees, costs and expenses, taxable or otherwise,
3 incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any
4 other Party to this Stipulation.

5 12.17 Action to Enforce Agreement. In any suit or court action to enforce the terms of this
6 Stipulation, the prevailing party shall be entitled to recover his, her, or its attorneys' fees and costs.

7 12.18 Court Retains Jurisdiction. The Court shall retain jurisdiction with respect to
8 implementation and enforcement of the terms of the Stipulation, and all parties hereto submit to the
9 jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the
10 Stipulation, pursuant to California Code of Civil Procedure §§ 382 and 664.6, and California Rules of
11 Court, rule 3.769.

12 12.19 No Franchisor Responsibility. Plaintiff and any and all Class Members agree that
13 International House of Pancakes LLC (and any direct or indirect parent or subsidiary entities including
14 but not limited to Dine Brands Global Inc.) is not liable for the Settlement provided for herein.

15 12.20 Voluntary and Knowing. This Stipulation is executed voluntarily and without any
16 duress or undue influence on the part of any of the Parties hereto.

17 12.21 Execution in Counterparts; Facsimile and Electronic Signatures. This Stipulation shall
18 become effective upon its execution by all of the undersigned. The Parties may execute this Stipulation
19 in counterparts, and execution of counterparts shall have the same force and effect as if all Parties had
20 signed the same instrument. Parties may also execute the Stipulation by way of electronic signature or
21 other electronic means. This Stipulation may be executed in any number of counterparts, each of which
22 will be deemed to be an executed Stipulation and each of which shall be deemed to be one and the
23 same instrument. A facsimile signature, DocuSign, or PDF signature copy shall be treated as an
24 original signature for all purposes.

25 12.22 Fair, Adequate, and Reasonable Settlement. The Parties agree that this settlement is
26 fair, adequate, and reasonable, and will so represent to the Court. In addition, mediator Eve Wagner,
27 may, at her discretion, execute a declaration supporting the settlement, and the Court may, in its
28

1 discretion, contact Ms. Wagner to discuss the settlement, and whether the settlement is fair and
2 reasonable.

3 12.23 Strict Confidentiality. The Class Representative and her counsel agree that they will
4 not issue any press releases, initiate any contact with the press, respond to any press inquiry, post on
5 any internet websites, or have any communication with the press about the Action, and/or the fact,
6 amount or terms of the Settlement. Before the date of the filing of the motion for preliminary approval
7 of the settlement, the Class Representative and Class-PAGA Counsel will not initiate any contact with
8 members of the Class, Aggrieved Employees, or anyone else about the Settlement. If the Class
9 Representative or Class-PAGA Counsel violates this paragraph of this Stipulation, including without
10 limitation, by making a disclosure to any non-party that (a) a settlement has been reached; or (b) any
11 of the terms of the Settlement, before the Court has preliminarily approved the Settlement, Defendants
12 may rescind the Settlement, rendering it null and void.

13 12.24 Cooperation. The Parties will work together expeditiously to obtain preliminary and
14 final approval of this Settlement.

15 12.25 Class Representative's Counsel's Representations. Class Representative's counsel
16 represents that he does not represent anyone in connection with a potential claim against Released
17 Parties. This provision is not intended to, and shall not restrict any individual's right to the counsel of
18 his or her choice, including Plaintiff's counsel.

19 12.26 Binding Agreement. The Parties intend that this Stipulation shall be fully enforceable
20 and binding upon all Parties, and that it shall be admissible and subject to disclosure in any proceeding
21 to enforce its terms, notwithstanding the mediation confidentiality provisions that otherwise might
22 apply under federal or state law.

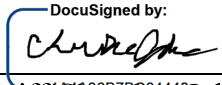
23 12.27 Resolution of Lawsuit. The Parties agree that, upon final approval of the Settlement the
24 Action will be resolved in accordance with California Rule of Court 3.769 and any other applicable
25 rules.

26 12.28 Date of Stipulation. The date of the Stipulation shall be the date of the latest signature.

27 **I, having read the foregoing Stipulation and knowing the contents thereof, am affecting this**
28 **Settlement and executing this Stipulation after having the opportunity to obtain legal advice from**

1 **counsel, and I sign the same as my own free act.**

2 THIS STIPULATION HAS BEEN READ AND AGREED TO INDIVIDUALLY AND ON
3 BEHALF OF THE PROPOSED CLASS AND AGGRIEVED EMPLOYEES:

4 DocuSigned by:
5 
6 Plaintiff Cherokee Johnson

Dated: 9/9/2022

10 READ AND AGREED TO ON BEHALF OF SEVEN SEVENTY TWO COMPANY, INC. AND
11 MR. STAX, INC.:

12
13 _____ Dated: _____
14 By: _____
15 Title: _____
16 Seven Seventy Two Company, Inc. and Mr. Stax, Inc.

17 APPROVED AS TO FORM:

18
19 _____ Dated: _____
20 Beth A. Kahn, Esq.
21 Ryan C. McKim, Esq.
22 Clark Hill LLP
23 Attorneys for Defendants

24 
25 _____ Dated: September 9, 2022
26 Marcus J. Bradley, Esq.
27 Bradley/Grombacher PC
28 Attorney for Plaintiff, Aggrieved Employees, and Class Members

1 **counsel, and I sign the same as my own free act.**

2 THIS STIPULATION HAS BEEN READ AND AGREED TO INDIVIDUALLY AND ON
3 BEHALF OF THE PROPOSED CLASS AND AGGRIEVED EMPLOYEES:

4
5 _____ Dated: _____
6 Plaintiff Cherokee Johnson

7
8
9
10 READ AND AGREED TO ON BEHALF OF SEVEN SEVENTY TWO COMPANY, INC. AND
11 MR. STAX, INC.:

12 Mark Justice Dated: 9/9/2022
13 By: Mark Justice
14 Title: Director
15 Seven Seventy Two Company, Inc. and Mr. Stax, Inc.

16
17 APPROVED AS TO FORM:

18
19 Ryan C. McKim Dated: September 8, 2022
20 Beth A. Kahn, Esq.
21 Ryan C. McKim, Esq.
22 Clark Hill LLP
23 Attorneys for Defendants

24 _____ Dated: _____
25 Marcus J. Bradley, Esq.
26 Bradley/Grombacher PC
27 Attorney for Plaintiff, Aggrieved Employees, and Class Members
28

Exhibit 1

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

NOTICE OF CLASS-PAGA ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

CHEROKEE JOHNSON individually and on behalf of
other individuals similarly situated,

Plaintiff,

v.

MR. STAX, INC., a Nevada corporation; SEVEN
SEVENTY TWO COMPANY, INC., a Nevada
corporation; and DOES 1 through 100, inclusive

Defendants.

CASE NO. 20STCV25308

[Assigned to Hon. Maren Nelson, Dept. 17]

**NOTICE OF CLASS ACTION AND PAGA
SETTLEMENT**

I. WHY DID I GET THIS NOTICE?

This notice explains the settlement that has been reached in the case entitled *Cherokee Johnson v. Mr. Stax, Inc., a Nevada Corporation; Seven Seventy Two Company, Inc., a Nevada corporation* (Los Angeles County Superior Court Case No. 20STCV25308) (the “Action”).

You are receiving this notice because the records of Mr. Stax, Inc. and/ or Seven Seventy Two Company, Inc. (collectively “Defendants”) indicate that you are a current or former non-exempt and/or hourly paid employee, who worked for Defendant Seven Seventy Two Company, Inc. at the International House of Pancakes restaurant operated at 21716 South Avalon Boulevard, Carson, California at any time during the period from July 2, 2016 through [date of entry of Preliminary Approval] (the “Class Period”). As a result, you are eligible to receive a portion of the class action settlement amount and/or the Private Attorneys General Act (“PAGA”) settlement amount, as discussed below.

This is **not** a notice of a lawsuit against you. **You are not being sued.** Your participation in the settlement will not affect your employment with Defendants in any way whatsoever.

The Court has ordered that this notice be sent to you. The purpose of this notice is to inform you of the proposed settlement of the Action. This notice is also intended to: (a) describe the settlement, including how the settlement funds will be allocated and how the settlement may affect you; and (b) advise you of your rights and options with respect to the settlement.

II. WHAT IS THE CLASS ACTION AND PAGA LAWSUIT ABOUT?

On July 2, 2020, Plaintiff Cherokee Johnson, an alleged former employee of Defendants, provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendants of the specific provisions of the Labor Code she contends were violated and the theories supporting her contentions. On July 2,

2020, Plaintiff filed a class action lawsuit against Defendants in the Superior Court of California, County of Los Angeles (Case No. 20STCV25308). Plaintiff Johnson's action alleged the following class action violations: (1) failure to pay reporting time pay; (2) meal break violations; (3) rest break violations; (4) failure to furnish an accurate itemizes wage statement upon payment of wages; (5) failure to timely pay wages owed at termination; (6) violations of California Business & Professions Code sections 17200, et seq.

On March 5, 2021, Plaintiff and Defendants (collectively, referred to as the "Parties") attended mediation before Eve Wagner, a well-respected mediator of wage-and-hour and class action lawsuits.

Under the Parties' settlement agreement reached through mediation, the Parties agreed that Plaintiff would file a First Amended Consolidated Class and Representative Action Complaint (the "First Amended Complaint"), which would include an additional cause of action for penalties under the Private Attorneys General Act ("PAGA") claim seeking penalties under California Labor Code §§ 2698-2699, *et seq.* The First Amended Complaint was filed on May 13, 2022.

Defendants deny that they violated the law in any way and further deny that the Action is appropriate for class treatment for any purpose other than this settlement. Nothing in this Notice of Class Action and PAGA Settlement, or the settlement itself, or any actions to carry out the terms of the settlement, are an admission by Defendants of any fault, guilt, negligence, wrongdoing, or liability whatsoever. This settlement is **not** an admission by Defendants of any liability.

The Court has not ruled on whether Plaintiff's allegations have any merit. By granting preliminary approval of the settlement, the Court has only determined there is sufficient evidence to suggest that the proposed settlement appears to be fair, adequate, and reasonable and any final determination of issues in this Action will be made at the final hearing. A final determination of the reasonableness of the settlement will be made by the Court at the final hearing, scheduled for [REDACTED], 2022.

To avoid the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, the Parties have agreed to resolve this matter in the amount of \$130,000, which will be allocated to the class members, aggrieved employees, the LWDA, Plaintiff's attorneys' fees and costs, enhancements paid to the named Plaintiff, and the costs of administering the settlement.

III. WHO IS INCLUDED IN THIS CLASS ACTION AND PAGA ACTION SETTLEMENT?

Under the Parties' settlement, "Class Members" are defined as all current and former non-exempt or hourly paid employees, who worked for Defendant Seven Seventy Two Company, Inc. at the International House of Pancakes restaurant operated at 21716 South Avalon Boulevard, Carson, California at any time during the period of July 2, 2016 through [date of Preliminary Approval]. All Class Members are receiving this Notice. Class Members who do not submit a timely and valid Request for Exclusion, as defined below, are entitled to receive an Individual Settlement Payment, as defined below.

Under the Parties' settlement, "Aggrieved Employees" as used herein, shall mean non-exempt and/or hourly-paid, current and former employees, who worked for Defendant Seven Seventy Two Company, Inc. at the

International House of Pancakes restaurant operated at 21716 South Avalon Boulevard, Carson, California, at any time during the PAGA Period of July 2, 2019 through [date of Preliminary Approval] (“PAGA Period”).

IV. WHAT PAYMENTS DOES THE PROPOSED SETTLEMENT REQUIRE?

“Gross Settlement Amount” means the agreed upon non-reversionary settlement amount totaling \$130,000.00 (one hundred thirty thousand dollars and zero cents) to be paid by Defendants in full settlement of the Action and Released Claims, as defined below.

A Settlement Administrator has been appointed by the Court to make authorized payments from the Gross Settlement Amount. The Settlement Administrator will pay the following out of the Gross Settlement Amount:

- 1) Class Counsel’s attorneys’ fees of up to \$43,333;
- 2) Class Counsel’s litigation costs and expenses incurred of up to \$10,000;
- 3) the Settlement Administration Costs, not exceed \$15,000;
- 4) the Class Representative Enhancement Payments of up to \$5,000 to Plaintiff; and
- 5) the PAGA Payment of \$10,000 to resolve Plaintiff’s claims under PAGA (“PAGA Allocation”), with seventy-five percent (75%) paid to the LWDA, and twenty-five percent (25%) distributed to the Aggrieved Employees as Individual PAGA Settlement Payments, on a pro rata basis, as discussed below.

The Net Settlement Amount refers to the Gross Settlement Amount that is available for distribution to Class Members less the above-described Attorneys’ Fees and Costs, Settlement Administration Costs, Class Representative Enhancement Payment, and the PAGA Payment. The Net Settlement Amount is estimated to be \$51,662, and it will be distributed in its entirety through the individual settlement payments that will be sent to the Class Members, described in detail below.

V. WHAT WILL BE THE INDIVIDUAL SETTLEMENT PAYMENTS TO CLASS MEMBERS?

Each Class Member shall be eligible to receive payment of the “Individual Settlement Amount,” which is a share of the Net Settlement Amount based on the number of workweeks worked by the Class Member during the Class Period relative to the total workweeks worked by all Class Members during the Class Period who do not opt out, as discussed below.

Specifically, the Settlement Administrator will first calculate the total number of workweeks worked by each Class Member during the Class Period and the aggregate total number of workweeks worked by all prospective Class Members during the Class Period. A prospective Class Member who worked any portion of a Workweek will be credited with the entire Workweek.

Next, to determine each prospective Class Member’s estimated individual settlement payment, the Settlement Administrator will use the following formula: the Net Settlement Amount will be divided by the aggregate total number of Workweeks worked by all prospective Class Members during the Class Period, resulting in the value of a workweek. Each Class Member’s estimated individual settlement payment will then be calculated by multiplying each prospective Class Member’s total number of workweeks during the Class Period by the value of a workweek.

If you do not opt out of the settlement, you will be eligible to receive an individual settlement payment, less applicable taxes. **It has been determined that the number of workweeks you worked for Defendants as a Class Member during the Class Period is: [REDACTED]. Your estimated individual settlement payment is: \$ [REDACTED].**

VI. WHAT IS A REPRESENTATIVE PAGA ACTION?

A representative PAGA action is a type of representative lawsuit authorized by the Labor Code Private Attorneys General Act of 2004, which allows aggrieved employees to file lawsuits to recover civil penalties on behalf of themselves, other employees, and the State of California, for alleged violations of the Labor Code. An aggrieved employee is any person who was employed by the subject employer, and against whom one or more of the alleged Labor Code violations was committed. An employee who files a representative PAGA action is acting as an agent of California's labor law enforcement agencies, who have the power to initiate an enforcement action directly.

A representative PAGA action is different from a class action in that an employee filing a representative PAGA action is not resolving the claims of other similarly situated employees but is instead acting as an agent of the State of California to obtain penalties for themselves, the State of California, and the aggrieved employees for Labor Code violations allegedly committed against those employees. Penalties awarded in a representative PAGA action are measured by the number of Labor Code violations committed by the employer, a portion of which (75%) must be paid to the State of California, and the remainder of which (25%) is paid to the aggrieved employees.

Members of a class action have the right to opt out of, or exclude themselves from, the class action. Class members who opt out are not bound by the terms of any judgment issued by the Court in the class action. Class members who do not opt out are bound by the terms of the judgment issued and are precluded from bringing claims that were or that could have been brought against the employer in the lawsuit in which the individual was a class member. Conversely, aggrieved employees do not have the right to opt out of a representative PAGA action but retain the right to pursue other claims and/or recover other remedies available under state or federal law.

VII. WHAT WILL BE THE INDIVIDUAL PAGA SETTLEMENT PAYMENTS TO AGGRIEVED EMPLOYEES?

Seventy-five percent (75%) of the PAGA Allocation will be paid to the LWDA, and twenty-five percent (25%) of the PAGA Allocation ("Aggrieved Employees PAGA Settlement Amount") will be distributed to the PAGA Employees. Aggrieved Employee shall receive a portion of the Aggrieved Employees' PAGA Settlement Amount ("Individual PAGA Settlement Payments") on a pro-rata basis by multiplying the Aggrieved Employees PAGA Settlement Amount by the ratio of (i) the number of pay periods worked by the Aggrieved Employee any time during the PAGA Period to (ii) the total number of pay periods worked by all Aggrieved Employees during the PAGA Period.

Aggrieved Employees will receive their Individual PAGA Settlement Payments even if they opt out of the class action portion of the settlement. In other words, Aggrieved Employees cannot exclude themselves from or object to the PAGA portion of the settlement.

VIII. WHAT CLAIMS WILL BE RELEASED BY CLASS MEMBERS AND PAGA EMPLOYEES?

If the Court approves the Settlement, the Court will enter judgment and the Settlement Agreement will bind all Class Members who have not opted out of the Settlement and will bar all Class Members from bringing certain claims against Defendants as described below.

The settlement includes a release by all Class Members of Defendants, Seven Seventy Two Company, Inc., Mr. Stax, Inc., and all of their respective heirs, successors and assigns, agents, employees, and other related/affiliated entities, including but not limited to direct and indirect, parents and subsidiaries, as well as former and current employees, owners, agents, attorneys, insured, insurers, claims representatives, officers, directors, shareholders, members, managers, dba's, and representatives, and franchisor International House of Pancakes LLC, Dine Brands Global, Inc., and any of its, direct or indirect, parent or subsidiary entities (collectively "Released Parties").

Each and every Class Member releases the Released Parties from any and all claims alleged in the Complaint, and any claims arising out of or in connection therewith against any and all Released Parties, arising during the Class Period, including but not limited to the claims alleged in the Complaint (including but not limited to Labor Code §§ 90.5, 98, 200, 201-203, 201.3, 201.5, 201.9, 204, 204.1, 204.2, 205.5, 206.5, 218, 218.5, 226, 226(a), 226.3, 226.7, 351, 510, 512, 450, 512, 558, 1174, 1174.5, 1182.12, 1193.6, 1194, 1194.3, 1194.2, 1194.67, 1197, 1197.1, 1198, 1199, 2698-2699.5, 2800, 2802, 44200; California Code of Regulations, Title 8, §§ 11000, et seq., IWC Wage Order 5-2001; Code of Civil Procedure §§ 382, 1021.5, California Business & Professions Code §§ 17200, et seq.), and the rest of the Complaint alleging the following 7 causes of action: (i) Failure to pay reporting time pay in violation of California Labor Code §§ 218, 1194; (ii) Meal break violations in violation of California Labor Code §§ 200, 226.7, 512; (iii) Rest break violations in violation of California Labor Code §§ 200, 226.7, 512; (iv) Failure to furnish an accurate itemized wage statement upon payment of wages in violation of California Labor Code § 226; (v) Failure to pay all wages owed at termination in violation of California Labor Code §§ 201-203; (vi) Violation of unfair competition law (Bus. & Prof. Code §§ 17200, et seq.); and (vii) Private Attorneys General Act of 2004, California Labor Code §§ 2698, et seq.); including claims in "Prayer" (Labor Code §§ 200, 201, 202, 203, 218, 218.5, 226, 226.3, 226.7, 210, 226.7 and 1194 and Business & Professions Code §§ 17200, et seq.); any and all claims alleged in Exhibit A to the Complaint (Plaintiff's PAGA Notice to the LWDA). The "Released Claims" definition encompasses and includes any and all claims stated in Plaintiff's Complaint and/or this Action, in addition to potential claims arising out of or in connection with the allegations made in Plaintiff's Complaint and/or this Action, whether or not specifically stated in Plaintiff's Complaint and/or this Action ("Released Claims").

Plaintiff and the State of California hereby release the Released Parties from any claim for alleged PAGA civil penalties, unpaid wages during the PAGA Period, and California Labor Code §§ 200, 201-203, 204, 218, 218.5, 226, 226(a), 226.3, 226.7, 510, 512, 1174, 1194, 1198, 2698-2699 ("Released PAGA Claims").

IX. WHAT ARE MY OPTIONS?

A. *You may accept your share of the Gross Settlement Amount and be bound by the release of all Released Claims described above.* Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the Settlement Administrator. Your check will remain valid and negotiable for one hundred eighty (180) calendar days from the date on which it is mailed. After the one hundred eighty (180) calendar days expire, the check will be canceled. and the funds from the uncashed checks shall be distributed by the Settlement Administrator to the State Controller for the State of California, with the identity of the Class Member and/or Aggrieved Employee to whom the funds belong, and shall be held in trust for the Class Member and/or Aggrieved Employee per the California Unclaimed Property Law, codified in California Code of Civil Procedure § 1500 et. seq., and specifically pursuant to California Code of Civil Procedure § 1513(g).

B. *You may exclude yourself from the Class Action settlement, in which case you will not receive your individual settlement payment, and you will not be bound by the class action portion of the settlement.* If you choose to be excluded, by no later than [ENTER DATE] (45 calendar days after the initial mailing of this

Notice Packet), you must complete the “Request for Exclusion” form that is included in this Notice Packet and mail the Request for Exclusion form to the Settlement Administrator, [REDACTED], located at [REDACTED]. To be timely and valid, your Request for Exclusion form must include the information requested in the form along with your signature and must be postmarked on or before [REDACTED].

As stated above, Aggrieved Employees cannot opt out of the PAGA portion of the settlement, meaning that prospective Class Members who submit timely and valid Requests for Exclusion from the Class Action will still receive their Individual PAGA Payments.

C. *You may object to the class action portion of the settlement.* The procedures for objecting to the class action portion of the settlement are described in the “Objection Form” that is included in this Notice Packet. As stated above, Class Members and Aggrieved Employees cannot object to the PAGA portion of the settlement. A more detailed explanation of the “Objection Form” and how to object is provided below in Section XII of this Notice.

X. WHAT WILL BE THE PROCEDURES FOR PAYMENT?

A. The Settlement Administrator will calculate your share of the settlement and will issue you a check. Your individual settlement payment from the Net Settlement Amount and Individual PAGA Settlement Payment from the PAGA Allocation (if you are also an Aggrieved Employee) will be paid out in a single payment.

B. While the Settlement Administrator will make its best effort to ensure that you receive your Individual Settlement Payment and Individual PAGA Settlement Payment (if you are also an Aggrieved Employee), you are encouraged to notify the Settlement Administrator, regarding any changes to your contact information.

C. All Individual Settlement Payments will be allocated as follows: (a) forty percent (40%) as wages; and (b) sixty percent (60%) as penalties and interest. The Settlement Administrator will be responsible for issuing to Class Members a form W-2 for amounts deemed wages and an IRS Form 1099 for the portions allocated to penalties. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

D. All Individual PAGA Settlement Payments will be allocated as one hundred percent (100%) penalties. The Settlement Administrator will be responsible for issuing Aggrieved Employees an IRS Form 1099. Again, you are responsible for paying the correct amount of taxes.

E. It is important for the Settlement Administrator to have your current address to be able to send you other mailings regarding the Action. You should contact the Settlement Administrator to report any change of your address after you receive this notice. Failure to report a change of address may result in you not receiving your share of the settlement money.

XI. WHEN IS THE FINAL FAIRNESS HEARING ON THE PROPOSED SETTLEMENT?

A final fairness hearing will be held before the Court on [REDACTED], 2022, at [REDACTED], in Department 17 of the Los Angeles Superior Court, located at the 312 North Spring Street, Los Angeles, California 90012 to decide whether the proposed settlement is fair, reasonable, and adequate. The Court may adjourn or continue the hearing without further notice to you.

You are not required to attend the hearing. Class Counsel will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense.

XII. WHAT ARE THE PROCEDURES FOR OBJECTING TO THE PROPOSED SETTLEMENT?

If you believe the settlement is unfair, and you want to tell the Court and the proponents of the settlement why you oppose it, you have a right to object to the settlement and tell the Court the reasons why you do not agree with the settlement or some part of it. When you object to the settlement, you have an opportunity to explain to the judge why you believe the settlement is unfair and should not be finally approved. This procedure is your only opportunity to object to the settlement and ask the Court to listen to your point of view.

To object, you must fill out and submit the "Objection Form" that is included in this Notice Packet. If you wish to object to the settlement, you must also explain your reasoning under the "I object to the settlement for the following reasons" portion of the Objection Form. If you object to the settlement, you will also have the right to appear at the final approval hearing. However, you are not required to appear at the final approval hearing to have your objection considered. You must either mail or fax the "Objection Form" to the Settlement Administrator, [REDACTED], located at [REDACTED]. [REDACTED]'s fax number is [REDACTED]. If you mail the Objection Form, it must be postmarked by [REDACTED], 2022 (45 calendar days after the initial mailing of this Notice Packet). If you fax the Objection Form, it must be received by the Settlement Administrator on or before [REDACTED], 2022 (45 calendar days after the initial mailing of the Notice Packet). Object Forms that are not timely will not be considered.

XIII. HOW CAN I EXAMINE THE COURT PAPERS OR ASK QUESTIONS?

This Notice summarizes the settlement. For more detailed information, you may view a complete copy of the settlement and any papers filed in the Action, which are on file with the Clerk of the Court, Superior Court of the State of California, County of Los Angeles, Case No. 20STCV25308.

The pleadings and all other records from the Action may be examined by inspecting the Court file in the filing department of the Los Angeles Superior Court, located at 312 N. Spring Street, Los Angeles, California 90012. You can find the settlement ("Joint Stipulation of Class Action and PAGA Settlement") by accessing the Court's website at <<https://www.lacourt.org/casesummary/ui/>>. The most recent version of the settlement was attached to the Declaration of Marcus J. Bradley In Support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement, which was filed with the Court on [REDACTED].

If you have any questions, you may call the Settlement Administrator [REDACTED] at [REDACTED]. You may also contact Class Counsel at the address or telephone number listed below.

ATTORNEYS REPRESENTING PLAINTIFF AND THE CLASS

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PLEASE DO NOT CALL THE COURT REGARDING THIS SETTLEMENT.

Exhibit 2

BRADLEY/GROMBACHER, LLP

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Attorneys for Plaintiff, CHEROKEE JOHNSON individually
 and on behalf of other individuals similarly situated

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

CHEROKEE JOHNSON individually and on
 behalf of other individuals similarly situated,

Plaintiff,

v.

MR. STAX, INC., a Nevada corporation; SEVEN
 SEVENTY TWO COMPANY, INC., a Nevada
 corporation; and DOES 1 through 100, inclusive

Defendants.

CASE NO. 20STCV25308

[Assigned to **Hon. Maren Nelson**]

CLASS ACTION

**[PROPOSED] ORDER GRANTING
 MOTION FOR PRELIMINARY
 APPROVAL OF CLASS ACTION
 SETTLEMENT**

Date:

Time:

Dept: 17

The Motion for Preliminary Approval of a Class Action Settlement came before this Court
 on _____, 2022. The Court, having considered the papers submitted in support of the
 application of the Parties, HEREBY ORDERS THE FOLLOWING:

1. The Court grants preliminary approval of the Settlement and the Settlement Class.
 based upon the terms set forth in the Class-PAGA Action Settlement Agreement ("Settlement

Agreement”). All terms used herein shall have the same meaning as defined in the Settlement Agreement. The Settlement appears to be fair, adequate and reasonable to the Class.

CONDITIONAL CERTIFICATION OF THE SETTLEMENT CLASS

2. The Class defined in the Settlement Agreement is defined as:

all non-exempt and/or hourly-paid, current and former employees, who worked for Defendant Seven Seventy Two Company, Inc. at the International House of Pancakes restaurant operated at 21716 South Avalon Boulevard, Carson, California, at any time during the period of July 2, 2016 through the date of the entry of Preliminary Approval Order.

Settlement Agreement at ¶1.5.

3. The Court conditionally finds that, for the purposes of approving this settlement only, the proposed Class meets the requirements for certification under section 382 of the California Code of Civil Procedure.

PRELIMINARY APPROVAL OF SETTLEMENT

4. The Court hereby preliminarily grants approval of the terms and conditions contained in the Settlement Agreement, a copy of which is attached hereto as **Exhibit B**. The settlement falls within the range of reasonableness and appears to be presumptively valid, subject only to any objections that may be raised at the final fairness hearing and final approval by this Court.

5. A Final Fairness Hearing on the question of whether the proposed settlement, attorneys' fees and costs to Class Counsel, and the Class Representative's Enhancement Award should be finally approved as fair, reasonable and adequate as to the members of the Class is scheduled in Department 17 on the date and time set forth below.

6. The Court makes the following preliminary findings and observations: (1) the settlement amount appears at this stage to be fair and reasonable to the Class Members when balanced against the risks of further litigation relating to class certification, summary judgment and trial on liability and damages issues, potential appeals, and ultimate collection of the full potential value of the claims; (2) it also appears that sufficient discovery and investigation have been conducted, such that counsel for the Parties at this time are able to reasonably evaluate their respective positions; (3) settlement at this time will avoid substantial costs, delay, and risks that would be presented by the further prosecution of the litigation; and (4) the proposed Settlement is the culmination of serious and

1 non-collusive negotiations between the Parties. Accordingly, the Court finds that the Settlement
2 appears to have been entered into in good faith.

3 7. The Court approves Rust Consulting, Inc., as the Settlement Administrator.

4 8. This Court approves, as to form and content, the Notice of Class-PAGA Action
5 Settlement in substantially the form attached as **Exhibit A** to this Order.

6 9. The Court further finds that the Class Notice appears to fully and accurately inform the
7 Class Members of all material elements of the proposed Settlement, of the Class Members' right and
8 opportunity to be excluded from the Settlement, of the Class Members' right and opportunity to
9 challenge Defendant's records of workweeks worked, and of the Class Members' right and
10 opportunity to object to the Settlement.

11 **FORM AND TIMING OF NOTICE**

12 10. Within twenty (20) calendar days after issuance of this Preliminary Approval Order,
13 Defendants shall provide the Administrator, in an electronically usable format, with first and last name,
14 last known residential address, residential telephone numbers, last 4 digits of social security number, and
15 workweeks worked during the Class Period, for the Class Members and Aggrieved Employees.

16 11. Not later than thirty (30) calendar days after the entry of this Preliminary Approval
17 Order, the Settlement Administrator shall mail the Class Notice to all Class Members, substantially in
18 the form of **Exhibit A** (Notice), to this Preliminary Approval Order, by first-class mail postage pre-
19 paid.

20 12. The Court directs the mailing of the Notice in accordance with the implementation
21 schedule set forth in the Settlement Agreement and finds the dates selected for the mailing and
22 distribution of the mailing of the Notice as set forth therein meet the requirements of due process and
23 provide the best notice practicable under the circumstances and shall constitute due and sufficient
24 notice to all persons entitled thereto.

25 13. No later than twenty calendar days after the Response Deadline (or any applicable
26 extension to the Response Deadline, the Settlement Administrator shall provide Class-PAGA Counsel
27 and Counsel for Defendants with a declaration attesting to completion of the notice process, including
28 any attempts to obtain Updated Addresses for, and the re-sending of, any returned Class Notices,

1 including any and all other required steps, which shall be filed with the Court by Class-PAGA
2 Counsel. The cost of giving notice to the Class Members shall be paid as set forth in the Settlement
3 Agreement.

4 14. The Court finds that the notice to be provided is the best means of providing notice to
5 the Class Members, is practicable under the circumstances and, when completed, shall constitute due
6 and sufficient notice of the Settlement and the Fairness Hearing to all persons affected by and/or
7 entitled to participate in the Settlement or the Fairness Hearing, in full compliance with the
8 requirements of due process and the California Rules of Court.

9 **ABILITY OF CLASS MEMBERS TO OPT OUT OF THE SETTLEMENT CLASS, OBJECT**
10 **TO THE SETTLEMENT AND/OR DISPUTE THEIR INDIVIDUAL PAYMENT**

11 15. Pursuant to Sections 1.36, 1.37, and 5.6 of the Settlement Agreement and as set forth in
12 the Class Notice, Class Members shall have forty-five (45) calendar days from the date the Class
13 Notice is mailed to submit any Request for Exclusion in accordance with the procedures set forth in
14 the Notice. If a timely and valid Request for Exclusion is not received by the Settlement Administrator
15 from a Class Member on or before the Response Deadline, then that Class Member will be deemed to
16 have forever waived his or her right to seek exclusion from the Settlement and Settlement Class and
17 shall be bound by the Settlement and Judgment. Class Members who do validly request exclusion
18 from the Settlement by submitting a valid and timely Request for Exclusion shall not be bound by the
19 terms of the Settlement, shall not be allowed to object to the Settlement, and shall not be entitled to
20 any benefits as a result of the Settlement, except that Settlement Class Members who are in the PAGA
21 Settlement Class will still receive his or her PAGA Payment and will release the PAGA Claims. In
22 the event that any Class Member timely submits a Request for Exclusion, but it is deficient, as soon
23 as possible but not later than five (5) business days after the Settlement Administrator's receipt of
24 such deficient Request for Exclusion, the Settlement Administrator shall send by first class, postage
25 pre-paid, United States mail a notice to such Class Member informing him or her of the deficiency
26 and that he or she has ten (10) calendar days from the date of the deficiency notice (which shall be the
27 date the deficiency notice is mailed) to cure the deficiency and postmark and mail a corrected Request
28 for Exclusion. No later than the deadline for Plaintiff to file the motion for final approval of class

1 action settlement set forth below, Class Counsel shall file a statement setting forth the names of any
2 Class Members who elected to exclude themselves from the Settlement.

3 16. Any Class Members who do not properly and timely exclude themselves from the
4 Settlement shall be included in the Class and, if the Settlement is approved and becomes effective,
5 shall be bound by all the terms and provisions of the Settlement Agreement, including but not limited
6 to the Release of Claims described therein.

7 17. Pursuant to Sections 1.27 and 5.5 of the Settlement Agreement and the as set forth in
8 Class Notice, Class Members who do not submit timely and valid Requests for Exclusion may object
9 to the Settlement by filing written objections (“Objection(s)”) with the Court and serving a copy on
10 the Parties by submitting the copy to the Settlement Administrator no later than the Response
11 Deadline. The Objection must: contain the Class Member’s full name, dates of employment as an
12 employee of Defendants, and signature; contain the case name and number of the Action; set forth the
13 legal and factual basis for the objection; and identify any counsel representing the Class Member in
14 connection with the Objection. A Class Member who objects to the Settlement will still be considered
15 a Settlement Class Member. The Settlement Administrator shall provide a copy of any Objections
16 that it receives to Class-PAGA Counsel and Counsel for Defendants. Any Class Member who does
17 not make his or her objection in the manner provided for in this Settlement Agreement shall be deemed
18 to have waived such objection(s) and shall forever be foreclosed from making any objection(s) to the
19 Settlement, unless otherwise ordered by the Court..

20 18. Pursuant to Sections 1.37 and 4.2 of the Settlement Agreement and as set forth in the
21 Class Notice, a Settlement Class Member shall have forty-five (45) days from the date the notice is
22 mailed to dispute any aspect of his or her payment by producing supporting evidence to the Settlement
23 Administrator, in accordance with the procedures set forth in the Class Notice.

24 19. Any Objection to the Settlement, Request for Exclusion, or disputed claim amount
25 must be submitted in writing in accordance with the procedures set forth in the Class Notice. The
26 deadline shall be specified in the Settlement Notice. Any written Objection, dispute or Request for
27 Exclusion must be postmarked on or before the Response Deadline and mailed to the administrator at
28 the address set forth in the Class Notice.

1 20. A hearing (the “Fairness Hearing”) shall take place before this Court, on the date and
2 time set forth below, to determine:

- 3 a. Whether the Court should permanently certify the Settlement Class;
4 b. Whether the Settlement, on the terms and conditions provided for in the Settlement
5 Agreement, should be finally approved by the Court as fair, reasonable and
6 adequate;
7 c. Whether the application for a service award for representative Johnson should be
8 approved;
9 d. Whether the application for attorneys’ fees and expenses to be submitted by Class
10 Counsel should be approved; and
11 e. Such other matters as the Court may deem necessary or appropriate. The Court
12 may finally approve the Settlement at or after the Fairness Hearing with any
13 modifications agreed to by the Parties and without further notice to the Class
14 Members.

15 21. Any Class Member who has not requested to be excluded from the Settlement, and any
16 other interested person, may appear at the Fairness Hearing in person or by counsel and be heard, to
17 the extent allowed by the Court, either in support of or in opposition to the matters to be considered
18 at the Fairness Hearing. Any documents filed with the Court must also be served on counsel, by any
19 method authorized under the California Code of Civil Procedure.

20 22. Any responses to any written objections to the Settlement and any other matter in
21 support of the Settlement shall be filed with the Court no later than _____.

22 23. The Court may adjourn the Fairness Hearing, including the consideration of the
23 application for the payment of a service award to the Class Representative and for attorneys’ fees and
24 expenses, without further notice of any kind other than an announcement of such adjournment in open
25 court at the Fairness Hearing or any adjournment thereof.

26 24. A Fairness Hearing in this Court is set for _____, 2022.

27 25. The Court HEREBY GRANTS preliminary approval of the class action settlement as
28 set forth above.

1 **IT IS SO ORDERED.**

2

3 DATED:

HON. MAREN NELSON
LOS ANGELES SUPERIOR COURT

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Exhibit A

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

NOTICE OF CLASS-PAGA ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

CHEROKEE JOHNSON individually and on behalf of
other individuals similarly situated,

Plaintiff,

v.

MR. STAX, INC., a Nevada corporation; SEVEN
SEVENTY TWO COMPANY, INC., a Nevada
corporation; and DOES 1 through 100, inclusive

Defendants.

CASE NO. 20STCV25308

[Assigned to Hon. Maren Nelson, Dept. 17]

**NOTICE OF CLASS ACTION AND PAGA
SETTLEMENT**

I. WHY DID I GET THIS NOTICE?

This notice explains the settlement that has been reached in the case entitled *Cherokee Johnson v. Mr. Stax, Inc., a Nevada Corporation; Seven Seventy Two Company, Inc., a Nevada corporation* (Los Angeles County Superior Court Case No. 20STCV25308) (the “Action”).

You are receiving this notice because the records of Mr. Stax, Inc. and/ or Seven Seventy Two Company, Inc. (collectively “Defendants”) indicate that you are a current or former non-exempt and/or hourly paid employee, who worked for Defendant Seven Seventy Two Company, Inc. at the International House of Pancakes restaurant operated at 21716 South Avalon Boulevard, Carson, California at any time during the period from July 2, 2016 through [date of entry of Preliminary Approval] (the “Class Period”). As a result, you are eligible to receive a portion of the class action settlement amount and/or the Private Attorneys General Act (“PAGA”) settlement amount, as discussed below.

This is **not** a notice of a lawsuit against you. **You are not being sued.** Your participation in the settlement will not affect your employment with Defendants in any way whatsoever.

The Court has ordered that this notice be sent to you. The purpose of this notice is to inform you of the proposed settlement of the Action. This notice is also intended to: (a) describe the settlement, including how the settlement funds will be allocated and how the settlement may affect you; and (b) advise you of your rights and options with respect to the settlement.

II. WHAT IS THE CLASS ACTION AND PAGA LAWSUIT ABOUT?

On July 2, 2020, Plaintiff Cherokee Johnson, an alleged former employee of Defendants, provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendants of the specific provisions of the Labor Code she contends were violated and the theories supporting her contentions. On July 2,

2020, Plaintiff filed a class action lawsuit against Defendants in the Superior Court of California, County of Los Angeles (Case No. 20STCV25308). Plaintiff Johnson's action alleged the following class action violations: (1) failure to pay reporting time pay; (2) meal break violations; (3) rest break violations; (4) failure to furnish an accurate itemizes wage statement upon payment of wages; (5) failure to timely pay wages owed at termination; (6) violations of California Business & Professions Code sections 17200, et seq.

On March 5, 2021, Plaintiff and Defendants (collectively, referred to as the "Parties") attended mediation before Eve Wagner, a well-respected mediator of wage-and-hour and class action lawsuits.

Under the Parties' settlement agreement reached through mediation, the Parties agreed that Plaintiff would file a First Amended Consolidated Class and Representative Action Complaint (the "First Amended Complaint"), which would include an additional cause of action for penalties under the Private Attorneys General Act ("PAGA") claim seeking penalties under California Labor Code §§ 2698-2699, *et seq.* The First Amended Complaint was filed on May 13, 2022.

Defendants deny that they violated the law in any way and further deny that the Action is appropriate for class treatment for any purpose other than this settlement. Nothing in this Notice of Class Action and PAGA Settlement, or the settlement itself, or any actions to carry out the terms of the settlement, are an admission by Defendants of any fault, guilt, negligence, wrongdoing, or liability whatsoever. This settlement is **not** an admission by Defendants of any liability.

The Court has not ruled on whether Plaintiff's allegations have any merit. By granting preliminary approval of the settlement, the Court has only determined there is sufficient evidence to suggest that the proposed settlement appears to be fair, adequate, and reasonable and any final determination of issues in this Action will be made at the final hearing. A final determination of the reasonableness of the settlement will be made by the Court at the final hearing, scheduled for [REDACTED], 2022.

To avoid the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, the Parties have agreed to resolve this matter in the amount of \$130,000, which will be allocated to the class members, aggrieved employees, the LWDA, Plaintiff's attorneys' fees and costs, enhancements paid to the named Plaintiff, and the costs of administering the settlement.

III. WHO IS INCLUDED IN THIS CLASS ACTION AND PAGA ACTION SETTLEMENT?

Under the Parties' settlement, "Class Members" are defined as all current and former non-exempt or hourly paid employees, who worked for Defendant Seven Seventy Two Company, Inc. at the International House of Pancakes restaurant operated at 21716 South Avalon Boulevard, Carson, California at any time during the period of July 2, 2016 through [date of Preliminary Approval]. All Class Members are receiving this Notice. Class Members who do not submit a timely and valid Request for Exclusion, as defined below, are entitled to receive an Individual Settlement Payment, as defined below.

Under the Parties' settlement, "Aggrieved Employees" as used herein, shall mean non-exempt and/or hourly-paid, current and former employees, who worked for Defendant Seven Seventy Two Company, Inc. at the

International House of Pancakes restaurant operated at 21716 South Avalon Boulevard, Carson, California, at any time during the PAGA Period of July 2, 2019 through [date of Preliminary Approval] (“PAGA Period”).

IV. WHAT PAYMENTS DOES THE PROPOSED SETTLEMENT REQUIRE?

“Gross Settlement Amount” means the agreed upon non-reversionary settlement amount totaling \$130,000.00 (one hundred thirty thousand dollars and zero cents) to be paid by Defendants in full settlement of the Action and Released Claims, as defined below.

A Settlement Administrator has been appointed by the Court to make authorized payments from the Gross Settlement Amount. The Settlement Administrator will pay the following out of the Gross Settlement Amount:

- 1) Class Counsel’s attorneys’ fees of up to \$43,333;
- 2) Class Counsel’s litigation costs and expenses incurred of up to \$10,000;
- 3) the Settlement Administration Costs, not exceed \$15,000;
- 4) the Class Representative Enhancement Payments of up to \$5,000 to Plaintiff; and
- 5) the PAGA Payment of \$10,000 to resolve Plaintiff’s claims under PAGA (“PAGA Allocation”), with seventy-five percent (75%) paid to the LWDA, and twenty-five percent (25%) distributed to the Aggrieved Employees as Individual PAGA Settlement Payments, on a pro rata basis, as discussed below.

The Net Settlement Amount refers to the Gross Settlement Amount that is available for distribution to Class Members less the above-described Attorneys’ Fees and Costs, Settlement Administration Costs, Class Representative Enhancement Payment, and the PAGA Payment. The Net Settlement Amount is estimated to be \$51,662, and it will be distributed in its entirety through the individual settlement payments that will be sent to the Class Members, described in detail below.

V. WHAT WILL BE THE INDIVIDUAL SETTLEMENT PAYMENTS TO CLASS MEMBERS?

Each Class Member shall be eligible to receive payment of the “Individual Settlement Amount,” which is a share of the Net Settlement Amount based on the number of workweeks worked by the Class Member during the Class Period relative to the total workweeks worked by all Class Members during the Class Period who do not opt out, as discussed below.

Specifically, the Settlement Administrator will first calculate the total number of workweeks worked by each Class Member during the Class Period and the aggregate total number of workweeks worked by all prospective Class Members during the Class Period. A prospective Class Member who worked any portion of a Workweek will be credited with the entire Workweek.

Next, to determine each prospective Class Member’s estimated individual settlement payment, the Settlement Administrator will use the following formula: the Net Settlement Amount will be divided by the aggregate total number of Workweeks worked by all prospective Class Members during the Class Period, resulting in the value of a workweek. Each Class Member’s estimated individual settlement payment will then be calculated by multiplying each prospective Class Member’s total number of workweeks during the Class Period by the value of a workweek.

If you do not opt out of the settlement, you will be eligible to receive an individual settlement payment, less applicable taxes. **It has been determined that the number of workweeks you worked for Defendants as a Class Member during the Class Period is: [REDACTED]. Your estimated individual settlement payment is: \$ [REDACTED].**

VI. WHAT IS A REPRESENTATIVE PAGA ACTION?

A representative PAGA action is a type of representative lawsuit authorized by the Labor Code Private Attorneys General Act of 2004, which allows aggrieved employees to file lawsuits to recover civil penalties on behalf of themselves, other employees, and the State of California, for alleged violations of the Labor Code. An aggrieved employee is any person who was employed by the subject employer, and against whom one or more of the alleged Labor Code violations was committed. An employee who files a representative PAGA action is acting as an agent of California's labor law enforcement agencies, who have the power to initiate an enforcement action directly.

A representative PAGA action is different from a class action in that an employee filing a representative PAGA action is not resolving the claims of other similarly situated employees but is instead acting as an agent of the State of California to obtain penalties for themselves, the State of California, and the aggrieved employees for Labor Code violations allegedly committed against those employees. Penalties awarded in a representative PAGA action are measured by the number of Labor Code violations committed by the employer, a portion of which (75%) must be paid to the State of California, and the remainder of which (25%) is paid to the aggrieved employees.

Members of a class action have the right to opt out of, or exclude themselves from, the class action. Class members who opt out are not bound by the terms of any judgment issued by the Court in the class action. Class members who do not opt out are bound by the terms of the judgment issued and are precluded from bringing claims that were or that could have been brought against the employer in the lawsuit in which the individual was a class member. Conversely, aggrieved employees do not have the right to opt out of a representative PAGA action but retain the right to pursue other claims and/or recover other remedies available under state or federal law.

VII. WHAT WILL BE THE INDIVIDUAL PAGA SETTLEMENT PAYMENTS TO AGGRIEVED EMPLOYEES?

Seventy-five percent (75%) of the PAGA Allocation will be paid to the LWDA, and twenty-five percent (25%) of the PAGA Allocation ("Aggrieved Employees PAGA Settlement Amount") will be distributed to the PAGA Employees. Aggrieved Employee shall receive a portion of the Aggrieved Employees' PAGA Settlement Amount ("Individual PAGA Settlement Payments") on a pro-rata basis by multiplying the Aggrieved Employees PAGA Settlement Amount by the ratio of (i) the number of pay periods worked by the Aggrieved Employee any time during the PAGA Period to (ii) the total number of pay periods worked by all Aggrieved Employees during the PAGA Period.

Aggrieved Employees will receive their Individual PAGA Settlement Payments even if they opt out of the class action portion of the settlement. In other words, Aggrieved Employees cannot exclude themselves from or object to the PAGA portion of the settlement.

VIII. WHAT CLAIMS WILL BE RELEASED BY CLASS MEMBERS AND PAGA EMPLOYEES?

If the Court approves the Settlement, the Court will enter judgment and the Settlement Agreement will bind all Class Members who have not opted out of the Settlement and will bar all Class Members from bringing certain claims against Defendants as described below.

The settlement includes a release by all Class Members of Defendants, Seven Seventy Two Company, Inc., Mr. Stax, Inc., and all of their respective heirs, successors and assigns, agents, employees, and other related/affiliated entities, including but not limited to direct and indirect, parents and subsidiaries, as well as former and current employees, owners, agents, attorneys, insured, insurers, claims representatives, officers, directors, shareholders, members, managers, dba's, and representatives, and franchisor International House of Pancakes LLC, Dine Brands Global, Inc., and any of its, direct or indirect, parent or subsidiary entities (collectively "Released Parties").

Each and every Class Member releases the Released Parties from any and all claims alleged in the Complaint, and any claims arising out of or in connection therewith against any and all Released Parties, arising during the Class Period, including but not limited to the claims alleged in the Complaint (including but not limited to Labor Code §§ 90.5, 98, 200, 201-203, 201.3, 201.5, 201.9, 204, 204.1, 204.2, 205.5, 206.5, 218, 218.5, 226, 226(a), 226.3, 226.7, 351, 510, 512, 450, 512, 558, 1174, 1174.5, 1182.12, 1193.6, 1194, 1194.3, 1194.2, 1194.67, 1197, 1197.1, 1198, 1199, 2698-2699.5, 2800, 2802, 44200; California Code of Regulations, Title 8, §§ 11000, et seq., IWC Wage Order 5-2001; Code of Civil Procedure §§ 382, 1021.5, California Business & Professions Code §§ 17200, et seq.), and the rest of the Complaint alleging the following 7 causes of action: (i) Failure to pay reporting time pay in violation of California Labor Code §§ 218, 1194; (ii) Meal break violations in violation of California Labor Code §§ 200, 226.7, 512; (iii) Rest break violations in violation of California Labor Code §§ 200, 226.7, 512; (iv) Failure to furnish an accurate itemized wage statement upon payment of wages in violation of California Labor Code § 226; (v) Failure to pay all wages owed at termination in violation of California Labor Code §§ 201-203; (vi) Violation of unfair competition law (Bus. & Prof. Code §§ 17200, et seq.); and (vii) Private Attorneys General Act of 2004, California Labor Code §§ 2698, et seq.); including claims in "Prayer" (Labor Code §§ 200, 201, 202, 203, 218, 218.5, 226, 226.3, 226.7, 210, 226.7 and 1194 and Business & Professions Code §§ 17200, et seq.); any and all claims alleged in Exhibit A to the Complaint (Plaintiff's PAGA Notice to the LWDA). The "Released Claims" definition encompasses and includes any and all claims stated in Plaintiff's Complaint and/or this Action, in addition to potential claims arising out of or in connection with the allegations made in Plaintiff's Complaint and/or this Action, whether or not specifically stated in Plaintiff's Complaint and/or this Action ("Released Claims").

Plaintiff and the State of California hereby release the Released Parties from any claim for alleged PAGA civil penalties, unpaid wages during the PAGA Period, and California Labor Code §§ 200, 201-203, 204, 218, 218.5, 226, 226(a), 226.3, 226.7, 510, 512, 1174, 1194, 1198, 2698-2699 ("Released PAGA Claims").

IX. WHAT ARE MY OPTIONS?

A. *You may accept your share of the Gross Settlement Amount and be bound by the release of all Released Claims described above.* Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the Settlement Administrator. Your check will remain valid and negotiable for one hundred eighty (180) calendar days from the date on which it is mailed. After the one hundred eighty (180) calendar days expire, the check will be canceled. and the funds from the uncashed checks shall be distributed by the Settlement Administrator to the State Controller for the State of California, with the identity of the Class Member and/or Aggrieved Employee to whom the funds belong, and shall be held in trust for the Class Member and/or Aggrieved Employee per the California Unclaimed Property Law, codified in California Code of Civil Procedure § 1500 et. seq., and specifically pursuant to California Code of Civil Procedure § 1513(g).

B. *You may exclude yourself from the Class Action settlement, in which case you will not receive your individual settlement payment, and you will not be bound by the class action portion of the settlement.* If you choose to be excluded, by no later than [ENTER DATE] (45 calendar days after the initial mailing of this

Notice Packet), you must complete the “Request for Exclusion” form that is included in this Notice Packet and mail the Request for Exclusion form to the Settlement Administrator, [REDACTED], located at [REDACTED]. To be timely and valid, your Request for Exclusion form must include the information requested in the form along with your signature and must be postmarked on or before [REDACTED].

As stated above, Aggrieved Employees cannot opt out of the PAGA portion of the settlement, meaning that prospective Class Members who submit timely and valid Requests for Exclusion from the Class Action will still receive their Individual PAGA Payments.

C. *You may object to the class action portion of the settlement.* The procedures for objecting to the class action portion of the settlement are described in the “Objection Form” that is included in this Notice Packet. As stated above, Class Members and Aggrieved Employees cannot object to the PAGA portion of the settlement. A more detailed explanation of the “Objection Form” and how to object is provided below in Section XII of this Notice.

X. WHAT WILL BE THE PROCEDURES FOR PAYMENT?

A. The Settlement Administrator will calculate your share of the settlement and will issue you a check. Your individual settlement payment from the Net Settlement Amount and Individual PAGA Settlement Payment from the PAGA Allocation (if you are also an Aggrieved Employee) will be paid out in a single payment.

B. While the Settlement Administrator will make its best effort to ensure that you receive your Individual Settlement Payment and Individual PAGA Settlement Payment (if you are also an Aggrieved Employee), you are encouraged to notify the Settlement Administrator, regarding any changes to your contact information.

C. All Individual Settlement Payments will be allocated as follows: (a) forty percent (40%) as wages; and (b) sixty percent (60%) as penalties and interest. The Settlement Administrator will be responsible for issuing to Class Members a form W-2 for amounts deemed wages and an IRS Form 1099 for the portions allocated to penalties. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

D. All Individual PAGA Settlement Payments will be allocated as one hundred percent (100%) penalties. The Settlement Administrator will be responsible for issuing Aggrieved Employees an IRS Form 1099. Again, you are responsible for paying the correct amount of taxes.

E. It is important for the Settlement Administrator to have your current address to be able to send you other mailings regarding the Action. You should contact the Settlement Administrator to report any change of your address after you receive this notice. Failure to report a change of address may result in you not receiving your share of the settlement money.

XI. WHEN IS THE FINAL FAIRNESS HEARING ON THE PROPOSED SETTLEMENT?

A final fairness hearing will be held before the Court on [REDACTED], 2022, at [REDACTED], in Department 17 of the Los Angeles Superior Court, located at the 312 North Spring Street, Los Angeles, California 90012 to decide whether the proposed settlement is fair, reasonable, and adequate. The Court may adjourn or continue the hearing without further notice to you.

You are not required to attend the hearing. Class Counsel will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense.

XII. WHAT ARE THE PROCEDURES FOR OBJECTING TO THE PROPOSED SETTLEMENT?

If you believe the settlement is unfair, and you want to tell the Court and the proponents of the settlement why you oppose it, you have a right to object to the settlement and tell the Court the reasons why you do not agree with the settlement or some part of it. When you object to the settlement, you have an opportunity to explain to the judge why you believe the settlement is unfair and should not be finally approved. This procedure is your only opportunity to object to the settlement and ask the Court to listen to your point of view.

To object, you must fill out and submit the "Objection Form" that is included in this Notice Packet. If you wish to object to the settlement, you must also explain your reasoning under the "I object to the settlement for the following reasons" portion of the Objection Form. If you object to the settlement, you will also have the right to appear at the final approval hearing. However, you are not required to appear at the final approval hearing to have your objection considered. You must either mail or fax the "Objection Form" to the Settlement Administrator, [REDACTED], located at [REDACTED]. [REDACTED]'s fax number is [REDACTED]. If you mail the Objection Form, it must be postmarked by [REDACTED], 2022 (45 calendar days after the initial mailing of this Notice Packet). If you fax the Objection Form, it must be received by the Settlement Administrator on or before [REDACTED], 2022 (45 calendar days after the initial mailing of the Notice Packet). Object Forms that are not timely will not be considered.

XIII. HOW CAN I EXAMINE THE COURT PAPERS OR ASK QUESTIONS?

This Notice summarizes the settlement. For more detailed information, you may view a complete copy of the settlement and any papers filed in the Action, which are on file with the Clerk of the Court, Superior Court of the State of California, County of Los Angeles, Case No. 20STCV25308.

The pleadings and all other records from the Action may be examined by inspecting the Court file in the filing department of the Los Angeles Superior Court, located at 312 N. Spring Street, Los Angeles, California 90012. You can find the settlement ("Joint Stipulation of Class Action and PAGA Settlement") by accessing the Court's website at <<https://www.lacourt.org/casesummary/ui/>>. The most recent version of the settlement was attached to the Declaration of Marcus J. Bradley In Support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement, which was filed with the Court on [REDACTED].

If you have any questions, you may call the Settlement Administrator [REDACTED] at [REDACTED]. You may also contact Class Counsel at the address or telephone number listed below.

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PLEASE DO NOT CALL THE COURT REGARDING THIS SETTLEMENT.

Exhibit B

Exhibit 3

BRADLEY/GROMBACHER, LLP

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Attorneys for Plaintiff, CHEROKEE JOHNSON individually
 and on behalf of other individuals similarly situated

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

CHEROKEE JOHNSON individually and
 on behalf of other individuals similarly
 situated,

Plaintiff,

v.

MR. STAX, INC., a Nevada corporation;
 SEVEN SEVENTY TWO COMPANY,
 INC., a Nevada corporation; and DOES 1
 through 100, inclusive

Defendants.

CASE NO. 20STCV25308

[Assigned to Hon. Maren Nelson]

[PROPOSED] ORDER OF FINAL APPROVAL
 AND JUDGMENT

Date:

Time:

Department: 17

1 **RECITALS**

2 Before the Court is the Motion for Final Approval of Class Action Settlement (the
3 “Motion”) filed by Plaintiff Cherokee Johnson (“Plaintiff”) in the above-captioned case seeking
4 final Court approval of the parties’ settlement of this action (the “Settlement”) on the terms set
5 forth in the Class-PAGA Action Settlement Agreement (the “Settlement Agreement”). The Court
6 has considered the Motion, including the declarations filed in support thereof, the relevant legal
7 authority, and the record in this case. Having jurisdiction and venue to consider the Motion and
8 the relief requested therein, with due and proper notice of the Motion having been provided to the
9 Settlement Class, the Court after due deliberation now makes the following FINDINGS AND
10 ORDERS:

11 **FINDINGS AND ORDERS**

12 1. Capitalized terms used in this Order that are not otherwise identified herein have
13 the meaning assigned to them in the Settlement Agreement.

14 2. The Settlement Agreement and this Settlement are not an admission by Defendant.
15 This Final Approval Order and Judgment is not a finding of the validity of any claims in the action
16 or of any wrongdoing by Defendants or that this action is appropriate for class treatment (other
17 than for settlement purposes). Neither this Final Approval Order and Judgment, nor the
18 Settlement Agreement, nor any document referred to herein, nor any action taken to carry out the
19 Settlement Agreement is, may be construed as, or may be used as an admission by or against
20 Defendants of any fault, wrongdoing or liability whatsoever. The entering into or carrying out of
21 the Settlement Agreement, and any negotiations or proceedings related thereto, shall not in any
22 event be construed as, or deemed to be evidence of, an admission or concession with regard to
23 the denials or defenses by Defendants. Notwithstanding these restrictions, Defendants may file
24 in the action or in any other proceeding this Final Approval Order and Judgment, the Settlement
25 Agreement, or any other papers and records on file in the action as evidence of the Settlement to
26 support a defense of res judicata, collateral estoppel, release, or other theory of claim or issue
27 preclusion or similar defense as to the Released Claims.

28 3. If (a) the Court should for any reason fail to approve the Settlement in the form

1 agreed to by the Parties, or (b) the Court should for any reason fail to enter Judgment of the
2 Action, or (c) the approval of the Settlement and Judgment is reversed, modified or declared or
3 rendered void, then the Settlement and conditional class certification shall be considered null and
4 void, and neither the Settlement, conditional class certification, nor any of the related negotiations
5 or proceedings, shall be of any force or effect, and all parties to the Settlement shall stand in the
6 same position, without prejudice, as if the Settlement had been neither entered into nor filed with
7 the Court.

8 **Final Certification of Settlement Class**

9 4. The Court finds, for the purpose of settlement only, that the proposed Settlement
10 Class meets the criteria for certification under California Code of Civil Procedure section 382.
11 The Court hereby orders class certification pursuant to California Code of Civil Procedure section
12 382 of the following class:

13 **Class Member**

14 all non-exempt and/or hourly-paid, current and former employees, who worked for
15 Defendant Seven Seventy Two Company, Inc. at the International House of Pancakes
16 restaurant operated at 21716 South Avalon Boulevard, Carson, California, at any time
17 during the period of July 2, 2016 through the date of the entry of Preliminary Approval
Order.

18 5. Additionally, the Court approves the settlement of the Private Attorney General
19 Act ("PAGA") claim on behalf of the PAGA Settlement Class which means:

20 **Aggrieved Employees**

21 "Aggrieved Employees" shall mean non-exempt and/or hourly-paid, current and former
22 employees, who worked for Defendant Seven Seventy Two Company, Inc. at the International
23 House of Pancakes restaurant operated at 21716 South Avalon Boulevard, Carson, California, at
any time during the PAGA Period.

24 "PAGA Period" means at any time during the period starting on and including July 2,
25 2019 through the date of the entry of Preliminary Approval Order.

26 6. For purposes of the Settlement only, the Court orders the appointment of Bradley
27 Grombacher LLP as Class Counsel and further orders the appointment of Plaintiff as Class
28 Representative.

Final Approval of Class Action Settlement

7. The Court grants and orders final approval of the terms set forth in the Settlement. The Court finds that the terms of the Settlement are fair, adequate, and reasonable, and to have been the product of serious, informed, and extensive arm's-length negotiations among the Parties. In making this finding, the Court considers the nature of the claims, the relative strength of Plaintiff's claims, the amounts and kinds of benefits paid in settlement, the allocation of settlement proceeds, and the fact that a settlement represents a compromise of the Parties' respective positions rather than the result of a finding of liability at trial.

8. Specifically, the Court orders approved in full the Settlement Agreement. The Parties are ordered to comply with and implement the Settlement Agreement according to its terms, including those provisions not expressly stated in this Order and Judgment.

9. By this final approval order and judgment, the Class Representative shall release, relinquish and discharge, and each of the Participating Settlement Class Members shall be deemed to have, and by operation of the judgment shall have, fully, finally, and forever released, relinquished and discharged all Released Claims.

10. By this final approval order and judgment, each Aggrieved Employee will release any claim for alleged PAGA civil penalties, unpaid wages during the PAGA Period, and California Labor Code §§ 200, 201-203, 204, 218, 218.5, 226, 226(a), 226.3, 226.7, 510, 512, 1174, 1194, 1198, 2698-2699.5 ("PAGA Released Claims").

11. By this final approval order and judgment, the Labor Workforce and Development Agency ("LWDA") shall release, relinquish and discharge, and each of the Aggrieved Employees shall be deemed to have, and by operation of the judgment shall have, fully, finally, and forever released, relinquished and discharged all PAGA Released Claims.

12. The Court also finds that the requested attorneys' fees in the amount of \$43,333 are reasonable and hereby are approved. The fees awarded are allocated as follows: \$43,333 to Bradley/Grombacher LLP.

13. The Court also finds that the requested attorneys' costs in the amount of \$10,000 are reasonable and hereby are approved. The costs of \$10,000 are awarded to

Bradley/Grombacher LLP.

14. The Court approves the service award to the Named Plaintiff as well. The Court finds that a service award of \$5,000 to Plaintiff is reasonable and hereby is approved.

15. The Court approves payment to the Settlement Administrator, Rust Group, Inc., in an amount not to exceed \$15,000 out of the Gross Settlement Amount, based on the declaration of [REDACTED] verifying the administrator's reasonable costs in fulfilling the settlement administration in this case.

16. The Court also approves the PAGA Settlement Amount in the amount of Ten Thousand Dollars (\$10,000.00). Pursuant to the PAGA, 75%, or Seven Thousand Five Hundred Dollars (\$7,500.00), of the PAGA Settlement Amount shall be paid to the California Labor and Workforce Development Agency ("LWDA"), and 25%, or Two Thousand Five Hundred (\$2,500.00), shall be paid to the Aggrieved Employees.

Class Notice

17. The Court finds that the Class Notice was given to the Settlement Class as required by the Preliminary Approval Order, and that the Notice fairly and adequately described the litigation, the Settlement, how Class Members could object or exclude themselves from the Settlement, and how Class Members could dispute information on which individual settlement payments were calculated. The Court further finds that the Class Notice was the best notice practicable under the circumstances, and complied with due process, the California Rules of Court, and all other applicable laws. The Court also finds and concludes that the Settlement Class was given a full and fair opportunity to participate in the Final Approval Hearing.

18. The Court finds that no class member has objected to the settlement. [REDACTED] requests for exclusion has been received by the settlement administrator from [REDACTED]. Given [REDACTED] his/her/their [REDACTED] valid and timely exclusion, [REDACTED] is/are not bound by the terms of the settlement including the Release of Claims, except as to PAGA. Aggrieved Employees may not opt out of the settlement of the claim pursuant to the Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, et seq.

COMPLIANCE HEARING

20. Judgment is hereby entered pursuant to the Final Approval Order of Class Action Settlement, entered _____.

21. Rust Group, Inc. will provide notice of the judgment to the class by posting a copy of the judgment to its website, [WEBSITE]

22. The Court retains continuing jurisdiction to enforce this Settlement pursuant to California Rule of Court 3.769(h), even after the entry of judgment based thereon. Without affecting the finality of the Settlement or Judgment entered, this Court shall retain exclusive and continuing jurisdiction over the action and the Parties, including all Settlement Class Members, the State of California, and Aggrieved Employees, for purposes of enforcing and interpreting this Order and the Settlement.

DATED:

[PROPOSED] ORDER OF FINAL APPROVAL AND JUDGMENT