

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement” or “Settlement”) is reached by and between Plaintiff Julia Bojorquez (“Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendants JIPC Ventures, Inc. and JIPC Management, Inc. (collectively “Defendants” or “JIPC”), on the other hand. Plaintiff and Defendants are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Paul K. Haines, Tuvia Korobkin, and Neil M. Larsen of Haines Law Group, APC (“Class Counsel”). Defendants are represented by Kere K. Tickner and Vanessa V. Dao of Severson & Werson, APC.

On August 26, 2020, Plaintiff filed a class action lawsuit against Defendants in San Diego County Superior Court, in the matter titled *Julia Bojorquez v. JIPC Ventures, Inc., et al.*, Case No. 37-2020-00029943-CU-OE-CTL (the “Action” or “Lawsuit”). On November 9, 2020, Plaintiff filed a First Amended Class and Representative Action Complaint (“Complaint”) alleging the following causes of action: (i) failure to pay overtime wages; (ii) meal period violations; (iii) rest period violations; (iv) wage statement penalties; (v) waiting time penalties; (vi) unfair competition as a result of the aforementioned violations (Bus. & Prof. Code § 17200 *et seq.*); and (vii) civil penalties pursuant to the Private Attorneys General Act of 2004 (“PAGA”), California Labor Code § 2698 *et seq.*, as a result of the aforementioned violations.

Given the uncertainty of litigation, Plaintiff and Defendants wish to settle both individually and on behalf of the Settlement Class (defined below). Accordingly, Plaintiff and Defendants agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendants stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees who worked for Defendants at the John’s Incredible Pizza location in National City, California at any time from August 26, 2016 through March 16, 2020 (“Class Period”).

Defendants represent there are approximately 392 Settlement Class members.

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into this Settlement Agreement.

2. **Release by Settlement Class Members and Plaintiff.** As of the date that: (i) the Effective Date (as defined below) occurs and (ii) the settlement is fully funded, Plaintiff and every member of the Settlement Class will fully release and discharge Defendants and any of Defendants’ officers, directors, employees, agents, principals, representatives, attorneys, accountants, partners, investors, shareholders, administrators, insurers and reinsurers, parent companies, subsidiaries, divisions, predecessors, successors, and assigns (collectively, the “Released Parties”), as follows:

- A. Settlement Class members (except those who opt-out) shall release any and all causes of action, claims, rights, or statutory damages, penalties, liabilities, expenses, and losses under California law arising from their employment with Defendants at the John's Incredible Pizza location in National City, California, that were alleged in the Complaint or that could have been alleged based on the facts alleged in the Complaint, including, but not limited to, any alleged failure by Defendants: (1) to pay overtime wages; (2) to provide meal periods; (3) to authorize and permit rest periods; (4) to provide compliant wage statements; (5) to timely pay wages at the end of alleged employment; and (6) any right or claim for unfair business practices in violation of California Business & Professions Code sections 17200, *et seq.*, based on the alleged failures set forth in (1) through (5) above ("California Released Claims"). In addition, all Settlement Class members (whether or not they opt out) who worked for Defendants at the John's Incredible Pizza location in National City, California at any point from September 2, 2019 through March 16, 2020 (the "PAGA Period") shall release Defendants from any right or claim for civil penalties pursuant to the PAGA, arising under the California Labor Code or Wage Orders based on the alleged failures set forth in (1) through (5) above, arising from their work at the John's Incredible Pizza location in National City, California during the PAGA Period ("PAGA Released Claims").
- B. In light of Plaintiff's Class Representative Service Award, Plaintiff has agreed to release, individually and in addition to the California Released Claims and PAGA Released Claims described above, all claims, whether known or unknown, under federal law or state law, against the Released Parties, arising from her employment with Defendants, through the date this Settlement Agreement is signed by Plaintiff ("Plaintiff's Released Claims"). The Parties understand and agree that, by way of this release, Plaintiff is not releasing, compromising, settling or resolving any claims for or related to workers' compensation, any claims for unemployment insurance benefits, nor any other claims which cannot be released as a matter of law. Plaintiff understands that this release includes unknown claims and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, 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 favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

- C. **Effective Date:** The "Effective Date" of the settlement agreement shall be the day after both of the following have occurred: (i) final approval of the settlement is granted by the Court, and (ii) judgment approving the settlement becomes Final. The term "Final" means: (i) if no objections are made to the Settlement, or if any objections to the Settlement are withdrawn, then the Settlement will be "Final" on the date the Court enters judgment on the Settlement; (ii) if an objection is made to the Settlement and not withdrawn, and the objection is overruled by the Court with no appeal being taken, then the Settlement will be "Final" on the expiration date of the time for filing or noticing any appeal of the judgment; (iii) if there is an appeal

of the Court's judgment, the Settlement will be "Final" on the date the judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the California Supreme Court and/or United States Supreme Court; or (iv) if a petition for writ of certiorari is filed, the Settlement will be "Final" on the date of denial of the petition for writ of certiorari, or the date the judgment is affirmed pursuant to such petition.

3. **Gross Settlement Amount.** As consideration, Defendants agree to pay a non-reversionary "Gross Settlement Amount" of Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Phoenix Settlement Administrators as the "Settlement Administrator" to administer this Settlement.
- B. The Gross Settlement Amount shall be deposited by Defendants into an escrow account to be established by the Settlement Administrator in twenty (20) equal monthly installments of \$10,000.00 each. The first installment of \$10,000.00 shall be deposited no later than 30 days after this Settlement is executed by the Parties, with each subsequent installment of \$10,000.00 to be deposited every 30 days thereafter, until the Gross Settlement Amount is fully funded.

The first through twentieth installment payments shall be deposited into the escrow account pending the Effective Date. If the Settlement does not receive final approval and the Effective Date does not occur, any installment payments paid to date shall be returned to Defendants.

- C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Settlement Administrator which are anticipated to be no greater than Nine Thousand Five Hundred Dollars and Zero Cents (\$9,500.00);
 - (3) Up to Five Thousand Dollars and Zero Cents (\$5,000.00) for Plaintiff's Class Representative Service Award, in recognition of Plaintiff's contributions to the Action and service to the Settlement Class;
 - (4) Up to one-third of the Gross Settlement Amount (currently estimated to be \$66,666.66) in Class Counsel's attorneys' fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00); and
 - (5) Ten Thousand Dollars and Zero Cents (\$10,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), 75% of such penalties, or Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00), will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining 25%, Two

Thousand Five Hundred Dollars and Zero Cents (\$2,500.00), will be payable to certain Settlement Class members as the “PAGA Amount,” as described below.

Defendants will not oppose the reasonableness of these requests. Any reduction by the Court of these requests will revert to the Net Settlement Amount (described below).

- E. **Employer Payroll Taxes.** The Gross Settlement Amount does not include employer-side payroll taxes, which shall be paid by Defendants separate from, and in addition to, the Gross Settlement Amount. Defendants shall deposit the employer-side taxes with the Settlement Administrator no later than the date it deposits the twentieth and final installment payment as described in Paragraph 3(B).
- F. **Escalator Clause.** Defendants represent that Settlement Class members worked approximately 20,317 workweeks as non-exempt employees for Defendants at the John’s Incredible Pizza location in National City, California (“Workweeks”) during the Class Period. If it is determined that the number of Workweeks worked by Settlement Class members during the Class Period exceeds 5% greater than 20,317 (i.e., if Settlement Class members actually worked 21,333 or more Workweeks during the Class Period), then the Gross Settlement Amount will increase commensurate with the increase in Workweeks (i.e., if the actual number of Workweeks during the Class Period is 7% greater than 20,317, then the GSA will increase by 7%). Any increase to the Gross Settlement Amount pursuant to this paragraph shall be paid out proportionally in each installment enumerated in Paragraph 3(B) that occurs after preliminary approval (e.g., if, by operation of this Escalator Clause, the Gross Settlement Amount increases by \$10,000 and there are 10 installments remaining to be paid after preliminary approval, then each of the remaining installments shall increase by \$1,000.)

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment (“Settlement Award”) from the Settlement. Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, the Class Representative Service Award, the Settlement Administrator’s fees and expenses for administration, and the amount set aside as PAGA civil penalties. The remaining amount shall be known as the “Net Settlement Amount” or “NSA.” Settlement Awards will be the total of each Settlement Class member’s: (i) payment from NSA and (ii) payment, if any, from the PAGA Amount, as described below.
 - i. Payments from the Net Settlement Amount: The Settlement Administrator will calculate payments from the NSA based on each participating Settlement Class member’s proportionate Workweeks worked during the Class Period. Specifically, each participating Settlement Class member’s payment from the

NSA will be calculated by multiplying the NSA by a fraction, the numerator of which is the participating Settlement Class member's number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class members during the Class Period.

- ii. Payments from the PAGA Amount: In addition to the NSA, 25% of the amount set aside as PAGA civil penalties (i.e., \$2,500.00) has been set aside as the "PAGA Amount," as mentioned above. The PAGA Amount shall be paid to all Settlement Class members (regardless whether they opt out) who worked for Defendants at the John's Incredible Pizza location in National City, California at any time during the PAGA Period, based on their proportional number of pay periods worked for Defendants at that location during the PAGA Period ("Pay Periods"). Specifically, each Settlement Class member's payment from the PAGA Amount will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's number of Pay Periods worked during the PAGA Period, and the denominator of which is the total Pay Periods worked by all Settlement Class members during the PAGA Period.

- B. **Calculation and Payment of Settlement Awards.** Within five (5) business days of: (i) the Effective Date occurring and (ii) Defendants' deposit of the Gross Settlement Amount (i.e. the twenty (20) installment payments have been paid), the Settlement Administrator will calculate individual Settlement Award amounts for all Settlement Class members, as well as the amount of the employer's share of payroll taxes due on the wage portion of the Settlement Awards, and provide the same to counsel for review and approval. Defendants shall pay the employer-side taxes within ten (10) business days of the Settlement Administrator's provision of the tax calculations. Within five (5) business days after the payment of the employer-side taxes and approval by counsel of the Settlement Award calculations, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to Settlement Class members. The Settlement Administrator shall simultaneously pay withholdings to the applicable authorities with the necessary reports, submitting copies to Defendants' counsel. The Settlement Administrator shall pay the amounts approved by the Court for Class Counsel's attorneys' fees and costs, Plaintiff's Class Representative Service Award, PAGA payment to the LWDA, and the Settlement administration costs to itself, at the same time it mails Settlement Awards to Settlement Class members.
- C. For tax purposes, each Settlement Award shall be allocated as follows: any payment made from the PAGA Amount shall be treated as 100% penalties; and any payment made from the NSA shall be allocated as one-third wages and two-thirds penalties and interest. The Settlement Administrator will issue to Settlement Class members an IRS Form W-2 (for amounts paid as wages) and an IRS Form 1099 (for amounts paid as penalties and interest). Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans. Each Settlement Class member is responsible

for the proper tax treatment of his/her Settlement Award, and neither Plaintiff, Defendants, nor their respective counsel are providing tax advice with respect to the tax treatment of Settlement Awards.

- D. Each member of the Settlement Class who receives a Settlement Award must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be distributed to Legal Aid Society of San Diego, as a *cy pres* beneficiary pursuant to Cal. Code Civ. Proc. § 384.
- E. Neither Plaintiff nor Defendants (nor their respective counsel) shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendants will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Gross Settlement Amount, currently estimated to be \$66,666.66. Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed \$25,000.00, from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award approved by the Court.

6. **Class Representative Service Award.** Defendants will not object to a request for a Class Representative Service Award of up to \$5,000.00 to Plaintiff, for her time and risk in prosecuting this case and Plaintiff's services to the Settlement Class. This award will be in addition to Plaintiff's Settlement Award as a Settlement Class member, and shall be reported on an IRS Form 1099 issued by the Settlement Administrator.

7. **Settlement Administrator.** Defendants will not object to the appointment of Phoenix Settlement Administrators as Settlement Administrator. Defendants will not object to Plaintiff seeking approval to pay up to \$9,500 for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending Notice Packets to the Settlement Class members, calculating Settlement Awards and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount only after all Settlement Awards have been mailed to Settlement Class members. The Settlement Administrator shall also give notice of final judgment by posting the final judgment to its website.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for settlement purposes only;

- B. Appointing Paul K. Haines, Tuvia Korobkin, and Neil M. Larsen of Haines Law Group, APC as Class Counsel;
- C. Appointing Plaintiff as Class Representative for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Estimated Settlement Award, attached hereto as Exhibits A and B, respectively), and directing the mailing of the same; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) business days after entry of an order preliminarily approving this Settlement, Defendants will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, and Workweek and Pay Period data (“Class Data”) for each Settlement Class member.
- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall: (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member, and receive approval from counsel of those calculations; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Settlement Class member who wishes to opt out of the class portion of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the class portion of the Settlement must prepare and submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be

deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Settlement Class member's last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who timely and validly requests exclusion will not be entitled to any recovery under this Settlement Agreement (except for any amount due to him or her from the PAGA Amount) and will not be bound by the terms of the Settlement (except for the PAGA release, if applicable) or have any right to object, appeal or comment thereon.

- ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the Settlement or opt out of the Settlement Class or encourage any Settlement Class member to appeal from the final judgment.

D. Objections. Members of the Settlement Class who do not opt out may object to this Settlement Agreement as explained in the Class Notice by mailing a written objection to the Settlement Administrator (who shall serve all objections as received on Defendants' counsel and Class Counsel, who will file all such objections with the Court) no later than the Response Deadline. Defendants' counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are submitted within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendants' counsel and Class Counsel shall have ten (10) days to file a response to the objections. To be valid, any objection must be in writing and must: (1) contain the objecting Settlement Class member's full name, current address, phone number, and e-mail address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. Objecting Settlement Class members may, but need not, appear at the Final Approval Hearing to argue their written objection. Any attorney seeking to represent an objecting Settlement Class member at the Final Approval Hearing must submit a Notice of Appearance to the Court and serve it on all counsel, no later than the Response Deadline.

E. Notice of Estimated Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Settlement Award as well as the information that was used to calculate the estimated Settlement Award. Settlement Class members will have the opportunity, should they disagree with Defendants' records regarding the information stated in the Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an

adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Award shall be binding upon the Settlement Class member and the Parties.

- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall re-send the Notice Packet to the Settlement Class member within three (3) business days of obtaining the updated address. Settlement Class members to whom Notice Packets are re-sent after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to mail a Request for Exclusion, Objection, or dispute. Notice Packets that are re-sent shall inform the recipient of this adjusted deadline, if applicable. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet need not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendants' Counsel to provide notice of the proposed settlement.

11. **Final Approval.** Following preliminary approval and the close of the period for submitting requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Service Award, settlement administration costs, and payment to the LWDA for its share of PAGA civil penalties; and
- C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the website of the Settlement Administrator.

12. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or wrongdoing or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

13. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by counsel for all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

14. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and/or by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiff: Paul K. Haines of Haines Law Group, APC
2155 Campus Drive, Suite 1550, El Segundo, CA 90245
phaines@haineslawgroup.com

if to Defendants: Kere K. Tickner of Severson & Werson, APC
The Atrium
19100 Von Karman Avenue, Suite 700, Irvine, CA 92612
kkt@severson.com

15. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

16. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

17. **Nondisclosure and Nonpublication.** Class counsel shall not publicize the settlement on their website or in advertising/marketing materials, other than filing documents with the Court. Plaintiff and Class Counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount, or terms of the settlement. If Plaintiff or Class Counsel receive an inquiry about the Settlement from the media, they may respond only after the motion for preliminary approval has been filed and only by confirming the accurate terms of the Settlement. Nothing in this provision shall prevent Defendants from making any required disclosure. Nothing shall prevent Class Counsel from including a general description of the Settlement on their website, without the mention of the names of the parties or the case number. Nor shall anything in this Settlement prevent Class Counsel from referring to this case in a declaration establishing qualification as class counsel in future cases.

18. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Action and over all Parties and Settlement Class members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. The Court shall award reasonable attorneys' fees and costs to the prevailing party in any motion or action taken based on an alleged violation of, or failure to conform with, any material term of this Settlement Agreement.

AGREED TO BY:

DATED: JUNE 22, 2022

JIPC VENTURES, INC.

By: Paulette Valenzuela
Name: Paulette Valenzuela
Title: HR Director

DATED: JUNE 22, 2022

JIPC MANAGEMENT, INC.

By: Paulette Valenzuela
Name: Paulette Valenzuela
Title: HR Director

DATED: _____, 2022

JULIA BOJORQUEZ

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM ONLY:

DATED: June 22, 2022

SEVERSON & WERSON, APC

By: Rhonda L. Nelson
Kere K. Tickner / Rhonda L. Nelson
Attorneys for Defendants

DATED: _____, 2022

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Attorneys for Plaintiff

AGREED TO BY:

DATED: _____, 2022

JIPC VENTURES, INC.

By: _____
Name: _____
Title: _____

DATED: _____, 2022

JIPC MANAGEMENT, INC.

By: _____
Name: _____
Title: _____

DATED: 6/16, 2022

JULIA BOJORQUEZ

By:  _____
Julia Bojorquez (Jun 16, 2022 12:30 PDT)
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM ONLY:

DATED: _____, 2022

SEVERSON & WERSON, APC

By: _____
Kere K. Tickner
Attorneys for Defendants

DATED: June 22, 2022

HAINES LAW GROUP, APC

By:  _____
Paul K. Haines
Attorneys for Plaintiff

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

JULIA BOJORQUEZ,

Plaintiff,

vs.

JIPC VENTURES, INC., ET AL.

Defendants.

Case No. 37-2020-00029943-CU-OE-CTL

**NOTICE OF PENDENCY OF CLASS ACTION
AND PROPOSED SETTLEMENT**

To: All current and former non-exempt employees who worked for Defendants JIPC Ventures, Inc. and JIPC Management, Inc. (together, "JIPC") at the John's Incredible Pizza location in National City, California at any time from August 26, 2016 through March 16, 2020 ("Class Period").

**PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT.**

Why should you read this Notice?

The San Diego County Superior Court ("Court") has granted preliminary approval of a proposed class action settlement (the "Settlement") in *Julia Bojorquez v. JIPC Ventures, Inc., et al.*, San Diego County Superior Court Case No. 37-2020-00029943-CU-OE-CTL (the "Action"). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from the Settlement. JIPC's records show that you were employed by JIPC and worked at the John's Incredible Pizza location in National City, California at some point between August 26, 2016 through March 16, 2020, and are therefore part of the proposed "Settlement Class." The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the proposed Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment. If final judgment is entered in this case, it will be posted to the Settlement Administrator's website, www.phoenixclassaction.com.

What is this case about?

Plaintiff Julia Bojorquez ("Plaintiff") has filed a lawsuit alleging that JIPC violated California law by: (i) failing to pay all overtime wages; (ii) failing to provide meal periods; (iii) failing to authorize and permit rest periods; (iv) failing to issue accurate itemized wage statements; (v) failing to pay all wages owing upon separation of employment; and, as a result of the above, (vi) engaging in unlawful business practices. In addition, Plaintiff seeks recovery of derivative civil penalties under the California Labor Code Private Attorneys General Act ("PAGA"), interest, and attorneys' fees and costs. Plaintiff is known as the "Class Representatives." Plaintiff's attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

JIPC has denied and continues to deny that it has done anything wrong, and believes that it has acted in compliance with all applicable laws and that Plaintiff's claims have no merit. JIPC also denies that it owes any wages, restitution, penalties, or other damages. By agreeing to settle, JIPC is not admitting liability on any of the factual allegations or claims asserted in the Action or that the Action can or should proceed as a class action in a non-settlement context.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid additional expense, inconvenience, and interference with its business operations, JIPC has concluded that it is in its best interests to settle the Action on the terms summarized in this Notice. After JIPC provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's-length negotiations between the parties.

The Class Representative and Class Counsel also support the Settlement. Among the reasons for support are the defenses to liability potentially available to JIPC, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by JIPC, your decision about whether to participate in the Settlement will not affect your employment. California law and JIPC policy strictly prohibit unlawful retaliation. JIPC will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of the Settlement Class member's decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff / the Settlement Class: HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Tuvia Korobkin tkorobkin@haineslawgroup.com Neil M. Larsen nlarsen@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 www.haineslawgroup.com	Attorneys for Defendants: SEVERSON & WERSON, APC Kere K. Tickner kkt@severson.com 19100 Von Karman Avenue, Suite 700 Irvine, California 92612 Tel.: (949) 442-7110 www.severson.com
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What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court granted preliminary approval of the Settlement on behalf of a Settlement Class consisting of all current and former non-exempt employees who worked for JIPC at the John's Incredible Pizza location in National City, California at any time from August 26, 2016 through March 16, 2020.

Defendants have agreed to pay \$200,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including claims by Settlement Class members, attorneys' fees, costs, settlement administration costs, PAGA civil penalties, and the Class Representative's service award.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved **Phoenix Settlement Administrators** to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$9,500.00 from the Gross Settlement Amount to pay the Settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel will ask for fees of up to one-third of Gross Settlement Amount, currently estimated to be \$66,666.66, as reasonable compensation for the work Class Counsel performed, and will continue to perform, in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$25,000.00 of verified costs Class Counsel incurred in connection with the Action.

Class Representative Enhancement Awards. Class Counsel will ask the Court to approve an enhancement award of up to \$5,000 to the Class Representative. This award is to compensate the Class Representative for her service and extra work provided on behalf of the Settlement Class members.

PAGA Civil Penalties. The Parties have agreed to allocate \$10,000.00 of the Gross Settlement Amount as alleged civil penalties for the settlement of Plaintiff's PAGA claim. Pursuant to the requirements of the PAGA, 75% of that amount, or \$7,500.00, will be paid to the California Labor & Workforce Development Agency ("LWDA"). The remaining \$2,500.00 has been designated as the "PAGA Amount" and will be paid to certain Settlement Class members as described below.

Calculation of Settlement Class Members' Individual Settlements. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). Payments to Settlement Class members will be calculated as follows:

- (i) The NSA will be allocated proportionally to all participating Settlement Class members (i.e., those who do not opt out) based on each Settlement Class member's total weeks worked for JIPC at the John's Incredible Pizza location in National City, California as a non-exempt employee ("Workweeks") during the Class Period.
- (ii) In addition to the NSA, \$2,500 of the Gross Settlement Amount has been designated as the "PAGA Amount" as described above, and will be allocated to all Settlement Class members (regardless whether they opt out) who worked for JIPC at the John's Incredible Pizza location in National City, California at any time from September 2, 2019 through March 16, 2020 (the "PAGA Period"), in proportion to the number of pay periods that each Settlement Class member worked for JIPC at the John's Incredible Pizza location in National City, California as a non-exempt employee ("Pay Periods") during that time period.

Deposit of Gross Settlement Amount. The Settlement will be funded by Defendants in twenty (20) equal monthly installments of \$10,000.00, with the first installment due on [REDACTED], 2022, and each subsequent payment due every thirty (30) days thereafter.

Payments to Settlement Class Members: Settlement Class members payments, known as "Settlement Awards," will be mailed approximately twenty (20) business days after JIPC deposits the entirety of the Gross Settlement Amount with the Settlement Administrator.

Allocation and Taxes. For tax purposes, Settlement Awards shall be treated as follows: all amounts paid from the PAGA Amount will be treated as 100% penalties. Any payment from the NSA shall be treated as one-third wages and two-thirds penalties and interest. The Settlement Administrator will issue IRS Forms W-2 for all amounts designated as "wages," and will issue IRS Forms 1099 for all amounts designated as penalties and interest. Settlement Class members are responsible for the proper income tax treatment of the Settlement Awards. The Settlement Administrator, Defendants and their counsel, and Plaintiff and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. Once the Effective Date occurs and JIPC funds the Settlement, the Class Representative and every member of the Settlement Class (except those who opt out) will fully release and discharge JIPC and any of JIPC's officers, directors, employees, agents, principals, representatives, attorneys, accountants, partners, investors, shareholders, administrators, insurers and reinsurers, parent companies, subsidiaries, divisions, predecessors, successors, and assigns (collectively, the "Released Parties") from any and all causes of action, claims, rights, or statutory damages, penalties, liabilities, expenses, and losses under California law arising from their employment with Defendants at the John's Incredible Pizza location in National City, California, that were alleged in the Complaint or that could have been alleged based on the facts alleged in the Complaint, including, but not limited to, any alleged failure by Defendants: (1) to pay overtime wages; (2) to provide meal periods; (3) to authorize and permit rest periods; (4) to provide compliant wage statements; (5) to timely pay wages at the end of alleged employment; and (6) any right or claim for unfair business practices in violation of California Business & Professions Code sections 17200, et seq., based on the alleged failures set forth in (1) through (5) above ("California Released Claims"). In addition, all Settlement Class members (whether or not they opt out) who worked for Defendants at the John's Incredible Pizza location in National City, California at any point from September 2, 2019 through March 16, 2020 (the "PAGA Period") shall release Defendants from any right or claim for civil penalties pursuant to the PAGA, arising under the California Labor Code or Wage Orders based on the alleged failures set forth in (1) through (5) above, arising

from their work at the John's Incredible Pizza location in National City, California during the PAGA Period ("PAGA Released Claims").

Conditions of Settlement. By granting preliminary approval of the Settlement, the Court has determined that the Settlement falls within the range of possible approval as fair, reasonable, and adequate. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement.

How can I receive money from the Settlement?

Do Nothing. You do not need to do anything if you want to receive payment from and participate in the Settlement. If you do nothing, you will be entitled to your individual Settlement Award based on the number of Workweeks you worked for JIPC as a non-exempt employee at the John's Incredible Pizza location in National City, California during the Class Period and the number of pay periods you worked for JIPC as a non-exempt employee at the John's Incredible Pizza location in National City, California during the PAGA Period. Your estimated individual Settlement Award is included in the enclosed Notice of Estimated Settlement Award. You also will be bound by the Settlement, including the release of claims stated herein.

Check Cashing Deadline and Uncashed Checks. You must cash or deposit your Settlement Award check within 180 days from the date that the Settlement Administrator mails the check to you. If you do not cash or deposit your check within 180 days, your check will be voided and the funds from the check will be sent to *cy pres* recipient Legal Aid Society of San Diego, a non-profit that provides legal services to the indigent.

What other options do I have?

Disputing Information in Notice of Estimated Individual Settlement. Your estimated Settlement Award has been calculated and is included in the enclosed Notice of Estimated Settlement Award. As stated above, your estimated Settlement Award is based on the number of workweeks and pay periods you worked for JIPC during the Class Period and PAGA Period, respectively, as a non-exempt employee at the John's Incredible Pizza location in National City, California. The information contained in JIPC's records regarding each of these factors is listed on the accompanying Notice of Estimated Settlement Award. If you disagree with the information in your Notice of Estimated Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than **<<RESPONSE DEADLINE>>**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.** The parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator's decision regarding any dispute will be final.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the class Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" letter or postcard, postmarked no later than **<<RESPONSE DEADLINE>>**, with your full name (as well as any former names you used while you were employed by Defendants), your current address, telephone number, last 4 digits of your social security number, and your signature.

Send the Request for Exclusion directly to the Settlement Administrator at **<<INSERT ADMINISTRATOR CONTACT INFO>>**. Any person who submits a valid and timely Request for Exclusion shall, upon receipt, no longer be a Settlement Class member with respect to the class claims alleged, shall be barred from participating in the class Settlement, and shall receive no benefits from the class Settlement. Any person who submits a valid and timely Request for Exclusion will also lack standing to submit any objection to the Settlement. However, all Settlement Class members who worked for Defendants during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount.

Objecting to the Settlement. If you do not submit a Request for Exclusion, you have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you must mail a written Objection to the Settlement Administrator. Your written Objection must include your full name (as well as any former names used while employed by Defendants), current address and phone number, last 4 digits of your social

security number, the name and contact information of any attorney representing you, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection, including any supporting papers, briefs, written evidence, declarations, and/or other evidence. All objections or other correspondence must state the name and number of the case, which is *Julia Bojorquez v. JIPC Ventures, Inc., et al.*, San Diego County Superior Court Case No. 37-2020-00029943-CU-OE-CTL. Any Objections must be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing. You have the right to appear either in person or through your own attorney at this hearing. If you wish to appear at the Final Approval Hearing and/or retain an attorney to represent you at the hearing, you must do so at your own expense. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object. In other words, by submitting an Objection, you are not excluding yourself from the Settlement.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department C-71 of the San Diego County Superior Court, located at 330 West Broadway, Fourth Floor, San Diego, California 92101. At the Final Approval Hearing, the Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of expenses, the service award to the Class Representative, and the Settlement administration costs. The Final Approval Hearing may be postponed without further notice to the Settlement Class. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing at their own expense.**

If you plan on attending the hearing or otherwise visiting the Court, please consult the Court's website, <https://www.sdcourt.ca.gov/>, for information regarding court operations during COVID-19 as well as any face covering and social distancing requirements.

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Clerk's Office at the San Diego County Superior Court, located at 330 West Broadway, San Diego, California 92101, during regular Court hours. You may also contact the Settlement Administrator or Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT.

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

EXHIBIT B

NOTICE OF ESTIMATED SETTLEMENT AWARD

JULIA BOJORQUEZ v. JIPC VENTURES, INC., ET AL.
SAN DIEGO COUNTY SUPERIOR COURT CASE NO. 37-2020-00029943-CU-OE-CTL

Please complete, sign, and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

Phone number (if you wish to be contacted by phone)

(III) Information Used to Calculate Your Estimated Individual Settlement:

According to Defendants JIPC Venture, Inc. and JIPC Management, Inc.'s ("JIPC") records:

- (a)** you worked [redacted] Workweeks for JIPC as a non-exempt employee at the John's Incredible Pizza location in National City, California between August 26, 2016 and March 16, 2020; and
- (b)** you worked [redacted] pay periods for JIPC as a non-exempt employee at the John's Incredible Pizza location in National City, California between September 2, 2019 and March 16, 2020.

Based on the above, your Settlement Award is estimated at \$ [redacted].

(IV) If you disagree with items (a) or (b) in Section (III) above, please explain why in the space below and include copies of any supporting evidence or documentation with this Form:

If you dispute the above information from JIPC's records, JIPC's records will control unless you are able to provide documentation that establishes that JIPC's records are mistaken. If there is a dispute about whether JIPC's information or yours is accurate, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Pendency of Class Action and Proposed Settlement" that accompanies this Form. The Settlement Administrator's determination will be final.

Date: _____

Signature: _____

ANY DISPUTES (INCLUDING SUPPORTING DOCUMENTS) MUST BE POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>>.