

**PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT
AND RELEASE OF CLAIMS**

This Private Attorneys General Act Settlement Agreement and Release of Claims (“Agreement”) is made by and between Plaintiff Arlene Jaramillo (“Plaintiff”) for herself and on behalf of the State of California and all Aggrieved Employees, and JVS Foods, Inc. (“Defendant”). Plaintiff and the Defendant are collectively referred to as the “Parties” and individually as the “Party.”

Capitalized terms used herein shall have the meanings set forth in Section 1 or elsewhere in this Agreement.

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, pursuant to section 2699 of the California Labor Code, that the Settlement of this Action shall be effectuated upon and subject to the following terms and conditions.

The Parties agree that the PAGA Claims (as defined in Section 1 below) shall be, and hereby are, ended, settled, resolved, and concluded without any admission of fault or liability on the part of the Defendant and by agreement of the Defendant to pay the gross settlement amount of Two Hundred Five Thousand Dollars and Zero Cents (\$205,000.00) as provided in Section 3 below upon the terms and conditions of this Agreement and for the consideration set forth herein.

DEFINITIONS

Section 1: Definitions

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

(a) “Action” means the civil action filed by Plaintiff on June 9, 2021, in Los Angeles County Superior Court, Case Number 21TRCV00423, titled *Jaramillo v. JVS Foods, Inc., et al.*

(b) “Agreement” means this Private Attorneys General Act Settlement Agreement and Release of Claims.

(c) “Aggrieved Employees” or “Aggrieved Employee” means all current and former non-exempt employees of Defendant who worked for Defendant in California during the PAGA Period.

(d) “Approval Order” means the signed [Proposed] Order for Judicial Approval of the Parties’ Private Attorneys General Act Settlement Agreement and Release of Claims.

(e) “Settlement Administrator” means Phoenix Class Action Administration Solutions (“Phoenix”), the third-party entity jointly selected by the Parties to perform all duties relating to the administration of the PAGA Settlement. The Parties agree that Phoenix shall be the Settlement

Administrator subject to the Court's approval.

(f) "Complaint" means the complaint including any amendment thereto filed by Plaintiff in the Action.

(g) "Court" means the Superior Court for the State of California, County of Los Angeles.

(h) "Defendant" means JVS Foods, Inc.

(i) "Defense Counsel" means:
Beth A. Kahn, Esq.
Ryan C. McKim, Esq.
Saige Shaw, Esq.
Clark Hill LLP
555 South Flower Street, 24th Floor
Los Angeles, CA 90071

(j) "Effective Date" means the date the Court grants approval of this Agreement by signing the [Proposed] Order for Judicial Approval of the Parties' Private Attorneys General Act Settlement Agreement and Release of Claims (which includes, without limitation, a dismissal with prejudice of the PAGA Claims) in accordance with the terms and conditions of this Agreement.

(k) "Employee Net Settlement Amount" means the sum that constitutes twenty-five percent (25%) of the Net Settlement Amount.

(l) "Employee Settlement Share" means the portion of the Employee Net Settlement Amount that shall be paid to the Aggrieved Employees per the terms and conditions of this Agreement, which shall be determined by the calculations provided in Section 7 of this Agreement.

(m) "Judgment" means the method by which the Court adopts and approves the terms of the Settlement, enters the Approval Order, and retains jurisdiction over its enforcement, implementation, construction, administration, and interpretation.

(n) "LWDA" means the State of California Labor and Workforce Development Agency.

(o) "LWDA Notice" means the notice that Plaintiff sent to the LWDA on March 29, 2021 giving notice of her intent to pursue a representative PAGA action, on behalf of herself, the State of California, and other allegedly aggrieved employees.

(p) "LWDA Net Settlement Amount" means the sum that constitutes seventy-five percent (75%) of the Net Settlement Amount.

(q) "Net Settlement Amount" means the amount remaining from the Settlement Sum after deducting Plaintiff's Counsel's fees, costs, expenses, Representative Plaintiff's Payment, and

the costs of the Settlement Administrator from the Settlement Sum.

(r) “Notice of PAGA Settlement” means the letter mutually agreed upon by the Parties and attached as Exhibit A hereto that will be sent by the Settlement Administrator to the Aggrieved Employees notifying them of the PAGA Settlement.

(s) “PAGA” means the Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, et seq.

(t) “PAGA Claims” means any and all claims, demands, rights, liabilities, and/or causes of action for penalties pursuant to PAGA, Labor Code Section 2698 et seq., that were asserted in Plaintiff’s LWDA Notice and/or the Action for alleged violation of Labor Code sections 201, 202, 203, 204, 218.5, 226, 226.7, 227.3, 510, 512, 558, 1174, 1182.12, 1194, 1197, 2699, 2699.3, 2699.5, 2802, and the applicable Industrial Welfare Commission Orders including, but not limited to, Order No. 5-2001.

(u) “PAGA Period” means at any time starting on and including April 5, 2020 up to and including August 31, 2022 or as provided in Section 3(a) of this Agreement.

(v) “Parties” means Plaintiff and Defendant. “Party” refers to Plaintiff or Defendant individually.

(w) “Plaintiff’s Counsel” refers to:
Mahoney Law Group, APC
Kevin Mahoney, Esq.
John A. Young, Esq.
249 E. Ocean Blvd., Suite 814
Long Beach, CA 90802

(x) “Released Parties” means the Defendant, and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, claim representatives, employees, predecessors, successors, assigns, affiliates, and subsidiaries.

(y) “Settlement” means the complete disposition of the PAGA Claims and all related claims, demands, rights, promises, covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorney’s fees and costs, damages, penalties, fines, interest, injuries, compensation, judgments, orders and liabilities effectuated by this Agreement.

(z) “Settlement Sum” means the total gross settlement amount of Two Hundred Five Thousand Dollars and Zero Cents (\$205,000.00) to be paid by the Defendant to fully and finally settle, resolve and conclude the PAGA Claims and all related attorney’s fees and costs as provided under this Agreement, without any admission of fault or liability.

NATURE OF ACTION

Section 2: Background

(a) On March 29, 2021, Plaintiff sent notice to the LWDA of her intent to pursue a representative PAGA action, on behalf of herself, the State of California and other allegedly aggrieved employees.

(b) On June 9, 2021, Plaintiff filed the complaint in this Action. The Action was brought on an individual basis, and on a representative basis under PAGA on behalf of the State of California and other allegedly aggrieved employees. The Action contains a representative claim on behalf of Plaintiff, the State of California and other allegedly aggrieved employees under PAGA based on alleged violations of the California Labor Code.

(c) Plaintiff alleges that the Defendant did not pay Plaintiff and Aggrieved employees all wages earned, did not provide Plaintiff and the Aggrieved Employees with any opportunity to take compliant meal breaks, did not provide Plaintiff and the Aggrieved Employees with any opportunity to take compliant rest breaks, did not properly compensate Plaintiff and the Aggrieved Employees for any alleged noncompliant meal breaks, did not properly compensate Plaintiff and the Aggrieved Employees for any alleged noncompliant rest breaks, did not reimburse Plaintiff and the Aggrieved Employees for expenses incurred in the discharge of their work-related duties or where carrying to the direction of their employers, including maintaining uniforms, did not provide Plaintiff and the Aggrieved Employees with accurate itemized wage statements, did not compensate employees for all hours worked including both minimum wage and overtime, did not pay all wages due upon separation from employment, and violated California Labor Code section 2698, et seq. all in alleged violation of California Labor Code Sections 201, 202, 203, 204, 218.5, 226, 226.7, 227.3, 510, 512, 558, 1174, 1182.12, 1194, 1197, 2699, 2699.3, 2699.5, 2802, and the applicable Industrial Welfare Commission Orders including, but not limited to, Order No. 5-2001. Plaintiff seeks relief individually and on a representative basis under PAGA on behalf of the State of California and the Aggrieved Employees. Plaintiff further seeks attorney's fees and costs individually and on behalf of the State of California and the Aggrieved Employees.

(d) The Defendant disputes all of the allegations and causes of action asserted in the Action and denies any liability or wrongdoing of any kind associated with the claims alleged in the Action and Plaintiff's PAGA letter (the LWDA Notice). The Defendant contends, among other things, that at all times during the PAGA Period, it made good faith efforts to comply with the California Labor Code, the related California Industrial Welfare Commission Orders, and all other applicable wage or employment laws, and further contends that the Action is without merit.

(e) The Parties engaged in informal discovery regarding the Defendant's policies, practices, operations, time and payroll information and other topics related to this Action. This informal discovery included the production of documents pursuant to the settlement/mediation privilege. The Parties reached this Settlement only after informal discovery and investigation were performed.

(f) The Parties participated in a mediation with mediator Kelly A. Knight and reached the subject Settlement.

(g) The Settlement embodied in this Agreement contemplates (a) issuance of a Court Order approving the Settlement, (b) entry of Judgment enforcing the terms of the Settlement, and retaining jurisdiction, (c) discharge of the Defendant from liability for any and all claims relating to the PAGA Claims (as defined in Section 1 above), (d) release by Plaintiff, the State of California and all Aggrieved Employees of all PAGA Claims against the Released Parties as more particularly set forth in Section 12, and (e) all Parties bearing their respective fees and costs except as expressly provided in this Agreement.

SETTLEMENT FUNDS

Section 3: Allocation of the Settlement Sum

(a) In exchange for the releases, obligations, and promises set forth in this Agreement (and subject to the terms and conditions contained in this Agreement), the Defendant agrees to pay the Settlement Sum, which is the total and all-inclusive amount the Defendant will be obligated to pay under the Settlement embodied by this Agreement. Under no circumstances will the Defendant be required to pay more than the Settlement Sum to obtain the relief (including, but not limited to, the Settlement, releases of claims by Plaintiff, the State of California and Aggrieved Employees, issuance of the Approval Order and Judgment) provided in this Agreement. The Settlement Sum will not be increased unless there is ultimately fifteen percent (15%) more than the allotted three hundred forty (340) total Aggrieved Employees from April 5, 2020 up to and including August 31, 2022 (i.e., more than 391 total Aggrieved Employees allotted for and contemplated by the Parties), in which case the Settlement Sum shall be increased proportionally, or at Defendant's sole election, ending the PAGA Period on the date on which the number of Aggrieved Employees is 391 Aggrieved Employees. The settlement is non-revisory, such that the entire Gross Settlement Amount will be disbursed. The Settlement Sum, the maximum which the Defendant can pay under this Agreement unless specified herein in this paragraph, comprises the following:

(b) Plaintiff's Counsel shall request a thirty-three and one-third percent (33.33%) attorney fee to procure the PAGA penalties, namely the total sum Sixty-Eight Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$68,333.33). If Plaintiff's Counsel's request for 33.33% of the Settlement Sum is not approved and is reduced by the Court, any amount not approved and/or reduced by the Court will revert to the Net Settlement Amount. Plaintiff agrees that other than the attorney fees approved by the Court herein, there are no liens for attorney fees arising out of the prosecution of the PAGA Claims.

(c) Plaintiff's Counsel shall request the Court to approve Plaintiff's Counsel's costs to be established by Plaintiff's Counsel up to Ten Thousand Dollars and Zero Cents (\$10,000.00) incurred in prosecuting the PAGA Claims. The costs approved by the Court shall be paid from the Settlement Sum. If Plaintiff's Counsel's request of up to Ten Thousand Dollars and Zero Cents (\$10,000.00) for costs is not approved and is reduced by the Court, any amount not approved and/or reduced by the Court will revert to the Net Settlement Amount. Plaintiff agrees that other than the costs approved by the Court herein, there are no liens for costs arising out of the prosecution of the PAGA Claims.

(d) In addition to her Employee Settlement Share, Plaintiff will apply to the Superior Court for a Representative Plaintiff's Payment of not more than Two Thousand Five Hundred Dollars and No Cents (\$2,500.00). Defendant will not oppose a representative Plaintiff's Payment of up to Two Thousand Five Hundred Dollars and No Cents (\$2,500.00). The Settlement Administrator will pay the Representative Plaintiff Payment approved by the Superior Court out of the Total Settlement Sum. If the Superior Court approves a Representative Plaintiff's Payment of less than Two Thousand Five Hundred Dollars and No Cents (\$2,500.00), the remainder will be retained in the Net Settlement Amount. Tax deductions and withholdings will not be taken from the Representative Plaintiff's Payment, and instead a Form 1099 will be issued to Plaintiff with respect to this payment.

(e) Plaintiff's Counsel shall request up to Five Thousand Dollars and Zero Cents (\$5,000.00) of the Settlement Sum as payment to the Settlement Administrator for costs incurred by the Settlement Administrator in connection with the Settlement including, but not limited to, mailing of the Notice of PAGA Settlement described herein, and distributing the Settlement Sum. The Settlement Administrator's costs shall not exceed Five Thousand Dollars and Zero Cents (\$5,000.00). To the extent that the costs of the Settlement Administrator exceed this amount, such costs shall be paid from the Settlement Sum; to the extent such costs are below this amount, the difference shall be added to the Net Settlement Amount.

(f) Plaintiff's Counsel shall request that 75% of the Net Settlement Amount, be distributed to the LWDA; and

(g) Plaintiff's Counsel shall request that 25% of the Net Settlement Amount shall be distributed to the Aggrieved Employees.

IMPLEMENTATION OF SETTLEMENT

Section 4: Court Approval

(a) Because this Action involves PAGA claims, this Agreement requires approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis. This Agreement is expressly contingent upon the Court's unconditional approval of this Settlement, the terms and conditions of this Agreement. If Court approval is not given or the Approval Order is not entered under the specific terms requested, this entire Agreement shall automatically be deemed null and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever.

(b) The Parties and their respective counsel shall take all steps that may be required by the Court relating to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain Court approval and implement this Agreement. If the Court does not grant the application for approval and unconditionally issue the Approval Order and Judgment, under the specific terms requested, the Parties agree to meet and confer to address the Court's concerns in an effort to resolve the dispute and to resubmit the Agreement with revisions that are acceptable to the Parties and the Court.

(c) The Parties will jointly submit the [Proposed] Order for Judicial Approval of the Parties' Private Attorneys General Act Settlement Agreement and Release of Claims in connection with a motion to be filed by Plaintiff for such an order unconditionally approving this Agreement.

Section 5: Notice

Notice. Notice shall be provided in the following manner:

(a) No later than fifteen (15) days after the Settlement becomes Final, as defined below, the Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees ("Aggrieved Employees List"). The Aggrieved Employees' List shall state the first name and last name for each Aggrieved Employee; the last known home address for each Aggrieved Employee; each Aggrieved Employee's social security number; and each Aggrieved Employee's respective number of pay periods worked for the Defendant during the PAGA Period. "Final" shall mean the latest of the following dates, as applicable: (i) the date the Court of Appeal or the California Supreme Court has rendered a final ruling affirming the trial court's final approval of the Settlement without material modification; or (ii) the date that the deadline for seeking appellate review of the trial court's final approval of the Settlement has passed without the filing of a timely appeal or timely request for review.

(b) Upon receipt of the Aggrieved Employees List, the Settlement Administrator shall run all addresses of the Aggrieved Employees through the United States Postal Service NCOA database (which provides updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain current address information. No later than thirty (30) calendar days after the Settlement becomes Final, as defined above, the Settlement Administrator shall mail the Employee Settlement Share checks to all Aggrieved Employees by first-class United States mail, postage prepaid, to the last known address of each recipient with directions to the Postmaster to forward the Employee Settlement Share checks to any forwarding addresses, and to return all undeliverable Employee Settlement Share checks to the Settlement Administrator. A letter approved by the Parties ("Notice of PAGA Settlement" attached hereto as Exhibit A) in advance of the motion to be filed by Plaintiff in connection with the Parties' submission of the [Proposed] Order for Judicial Approval of the Parties' Private Attorneys General Act Settlement Agreement and Release of Claims, will be included in the mailing of each Aggrieved Employee's Employee Settlement Share check. It will be conclusively presumed that an Aggrieved Employee's Employee Settlement Share check was received if such check has not been returned within twenty-one (21) days of the original mailing. The date of the initial mailing of the Employee Settlement Share check shall be conclusively determined according to the records of the Settlement Administrator.

(c) No later than thirty (30) days after the Settlement Agreement Becomes Final, the Settlement Administrator shall mail the LWDA and Plaintiff's Counsel their respective shares of the Settlement Sum.

(d) Within fifteen (15) days of receipt of the Settlement Sum by the Settlement

Administrator from the Defendant, the Settlement Administrator shall pay itself up to Five Thousand Dollars and Zero Cents (\$5,000.00) allocated to it for administration fees.

Section 6: Settlement Payment Deposit

On December 1, 2022 or 30 days after the Court enters the Approval Order, which ever is later, the Defendant shall deposit the Settlement Sum with the Settlement Administrator.

Section 7: PAGA Payments

The total sum available for payment of PAGA penalties shall be calculated by deducting Plaintiff's Counsel's fees and costs and the costs of claim administration collectively referenced in Section 3(b), (c), and (d) from the Settlement Sum, which will yield the "Net Settlement Amount." Seventy-five percent (75%) of the Net Settlement Amount shall be paid to the LWDA ("LWDA Net Settlement Amount"); the remaining twenty-five percent (25%) of the Net Settlement Amount (the "Employee Net Settlement Amount") shall be paid to Aggrieved Employees based on the following formula:

(a) The LWDA Net Settlement Amount shall be sent to LWDA by the Settlement Administrator in accordance with the deadlines established in Section 5 (c) above.

(b) Plaintiff and each Aggrieved Employee shall receive a portion of the Employee Net Settlement Amount on a pro-rata basis by multiplying the Employee Net 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. No benefit, including but not limited to 401(k), shall increase or accrue as a result of any payment made as a result of this settlement. ("Employee Settlement Share").

(c) The Parties recognize that the settlement amounts to be paid to the Aggrieved Employee are penalties. The parties agree that the Aggrieved Employee payments shall be reported as interest and penalties on IRS Form 1099 and its state and local equivalent.

(d) To the extent any Aggrieved Employee disputes any aspect of his or her payment, that Aggrieved Employee must produce supporting evidence to the Settlement Administrator. Defendant's records will be presumed determinative.

(e) The settlement checks issued to the Aggrieved Employees shall remain valid for one hundred eighty (180) days. Thereafter, those checks will be cancelled and all unclaimed funds shall be transmitted to the California State Controller to be held in the name of the Aggrieved Employee in the unclaimed property fund.

JUDGMENT

Section 8: Judgment

Plaintiff will submit the [Proposed] Order for Judicial Approval of the Parties' Private Attorneys General Act Settlement Agreement and Release of Claims to be entered by the Court to enforce this Agreement and enter Judgment in accordance with the terms of this Agreement. In connection with the [Proposed] Order for Judicial Approval of the Parties' Private Attorneys

General Act Settlement Agreement and Release of Claims, the Parties will submit a proposed final judgment requesting the entry of judgment in the amount of the Settlement Sum. Following payment of the Settlement Sum, the Parties will submit a stipulated satisfaction of judgment advising the Court that the judgment has been satisfied.

LIMITATIONS ON USE OF THIS SETTLEMENT

Section 9: No Admission

The Defendant disputes and denies the allegations and each and every cause of action in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. This Agreement and the payment of the Settlement Sum and the other considerations recited herein represent the compromise of disputed claims. Nothing in this Agreement is intended or will be construed as an admission of liability, unlawful conduct, or wrongdoing by the Released Parties.

Nothing in this Agreement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to this Agreement, is intended by the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding, as purported evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing, this Agreement may be used in any proceeding before the Court that has as its purpose the interpretation, implementation, or enforcement of this Agreement or any orders or judgments of the Court entered in connection with the Agreement. Neither the existence of this Settlement nor anything contained in this Agreement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to this Agreement, shall be construed or deemed a waiver of the Defendant's rights to compel arbitration of any dispute with any Aggrieved Employee.

None of the documents produced or created by the Defendant, Plaintiff or the Aggrieved Employees in connection with the claims procedures or claims resolution procedures constitute, and they are not intended to constitute, an admission by the Defendant of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.

Section 10: Non-Evidentiary Use

Whether or not the Approval Order is executed and entered by the Court, neither this Agreement nor any of its terms (including, but not limited to, the payment of the Settlement Sum)

nor the Settlement itself will be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to any of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against any other civil, criminal, and/or administrative action or proceeding, except for the purposes of effectuating the Settlement pursuant to this Agreement and/or for the Released Parties to establish that an Aggrieved Employee has resolved any of his/her claims released through this Agreement. Either Party, however, may introduce the Agreement as evidence in an action to enforce its terms.

Section 11: Nullification

(a) If (i) the Court should for any reason fail to approve this Settlement in the specific form agreed to by the Parties as described in this Agreement, or (ii) the Court should for any reason fail to enter the Approval Order, or (iii) the Approval Order is reversed, modified, or declared or rendered void, or (iv) the Court should for any reason fail to enter judgment on the PAGA Claims, then this Agreement shall be considered null and void.

In that instance, (i) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect, and (ii) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court; (iii) the Defendant would not have any obligation to pay any portion of the Settlement Sum to anyone under the terms of this Agreement, and all previous disbursements (if any) from the Settlement Sum will immediately be paid back to the Defendant by the person(s) and/or entity who received such disbursement; and (iv) the operative complaint shall be the Complaint.

(b) If the Court approves this Settlement on terms and conditions that are materially different than those set forth in the Approval Order, then Plaintiff and the Defendant will each have the right to void the Settlement, which the Party must do by giving written notice to the other Party and the Court not later than ten (10) business days after the Court's entry of the Approval Order.

(c) If Plaintiff revokes the settlement of Plaintiff's individual claims, then Defendant will have the right to void the Settlement by giving written notice to the Plaintiff's Counsel and the Court not later than ten (10) business days after the revocation. If Defendant voids the Settlement pursuant to this paragraph, the operative complaint shall be the Complaint.

RELEASE AND WAIVER OF CLAIMS

Section 12: Release

Upon entry of the Approval Order by the Court approving payment of the PAGA penalties as described in this Agreement, Plaintiff, all Aggrieved Employees, and Plaintiff on behalf of the State of California shall be deemed to have fully, finally, and forever released, relinquished, and discharged each and all of the Released Parties from any and all claims, demands, rights, liabilities, and/or causes of action for penalties under PAGA that accrued during the PAGA Period and that were asserted in Plaintiff's LWDA notice letter or the Action as well as those that could have been

alleged in the Action based on the facts contained therein, including, Labor Code Sections 201, 202, 203, 204, 218.5, 226, 226.7, 227.3, 510, 512, 558, 1174, 1182.12, 1194, 1197, 2699, 2699.3, 2699.5, 2802, and the applicable Industrial Welfare Commission Orders including, but not limited to, Order No. 5-2001. Plaintiff shall be deemed to have acknowledged and agreed that her claims in this Action are disputed, and that the payments constitute settlement of all PAGA Claims. Aggrieved Employees shall be bound by the terms of the Agreement and individual payment shall resolve their claims under the PAGA asserted in Plaintiff's LWDA notice letter or the Action as well as those that could have been alleged in the Action based on the facts contained therein. No release in this Agreement shall become effective until the Settlement Sum is fully funded.

Nothing in this Agreement is intended to or shall preclude Plaintiff and Aggrieved Employees from filing a complaint and/or charge with any appropriate federal, state, or local government agency and/or cooperating with said agency in its investigation. Plaintiff and Aggrieved Employees retain the right to file a charge with, and to participate in an investigation conducted by, any appropriate government agency charged with enforcement of any law and the right to engage in concerted activity granted by Section 7 of the National Labor Relations Act. Plaintiff and Aggrieved Employees. However, shall not be entitled to receive any civil penalties for the PAGA Claims in connection with any complaint or charge brought against any Released Party for claims arising on or before the date Plaintiff executes this Agreement, without regard as to who brought said complaint or charge.

Section 13: Miscellaneous Provisions

(a) No person shall have any claim of any kind whatsoever against any of the Parties, Defense Counsel, and/or Plaintiff's Counsel, based on distribution of the Settlement Sum (including, without limitation, the LWDA Net Settlement Amount, the Employee Net Settlement Amount, and/or the Employee Settlement Share) made in accordance with this Agreement.

(b) In the event any taxing authority asserts that Plaintiff failed to pay any tax liability resulting from the payments made hereunder, and the Defendant is made to pay any taxes, settlements, interest, penalties, and/or other sums (hereinafter collectively referred to as "Tax Payments") to a taxing authority as a result of the payments to Plaintiff made hereunder, Plaintiff shall fully defend, indemnify, hold harmless, and reimburse the Defendant and/or its insurer(s) for any and all such Tax Payments upon demand and reasonable verification of sums paid.

(c) This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm or other entity.

(d) The terms and provisions of this Agreement may be amended only by a written agreement that is both (a) signed by all of the Parties (or their successors in interest) and (b) approved by the Court. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated otherwise.

(e) None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Aggrieved Employees or Plaintiff's Counsel without the express written consent of each other Party hereto. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement

and shall not be construed to confer any right or to avail any remedy to any other person. Plaintiff expressly warrants that Plaintiff has not transferred to any person or entity any right or cause of action, or claim released by this Agreement.

(f) This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California.

(g) Plaintiff's Counsel and Plaintiff jointly and severally represent and warrant to the Defendant that there are no attorneys beyond those named as Plaintiff's Counsel who have claims for fees and/or costs arising out of the Action or the Settlement contemplated hereby.

(h) Plaintiff's Counsel represents that they do not represent anyone in connection with a potential claim against Released Parties. This provision is not intended to, and shall not, restrict any individual's right to the counsel of his or her choice, including Plaintiff's Counsel.

(i) This Agreement sets forth the entire agreement between the Parties regarding the PAGA Claims being settled herein and supersedes all prior agreements and understandings among the Parties hereto with respect to the subject matter hereof, including, without limitation, correspondence between Plaintiff's Counsel and Defense Counsel. There are no restrictions, promises, representations, warranties, covenants, or undertakings governing the subject matter of this Agreement, except as expressly set forth in this Agreement.

(j) Any failure of any Party to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

(k) This Agreement and any amendments may be executed in any number of counterparts and any Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts. A facsimile signature or signature scanned and sent by electronic mail shall have the same force and effect as an original signature. This Agreement may be executed using DocuSign or any other similar software.

(l) Should any portion of this Agreement be declared or be determined to be illegal, invalid, or unenforceable, the validity of the remaining parts, terms, or provisions shall not be affected thereby and said illegal, invalid, or unenforceable part, term, or provision shall be deemed not to be a part of this Agreement. Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provisions as valid to the fullest extent possible consistent with applicable law and precedents so as to make all provisions of this Agreement valid and enforceable.

(m) Except as expressly provided herein, each Party shall bear their own attorney's fees and costs. No Aggrieved Employee (including, but not limited to, Plaintiff) or Plaintiff's Counsel or any other attorney acting for any Aggrieved Employee may recover or seek to recover any amounts for fees, costs, or disbursements from the Released Parties or the Settlement Sum in relation to the subject matter of this Agreement except as expressly provided herein.

(n) Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, a representative of Plaintiff's Counsel and a representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior to submitting any such dispute(s) to the Court. To the extent any Party seeks to enforce any of the terms of this Agreement in Court or before the Court, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs.

(o) This Agreement shall bind and inure to the benefit of the Parties hereto and to their respective successors, assigns, legatees, heirs, and personal representatives.

(p) The Parties agree that upon the occurrence of the entry of Judgment pursuant to the terms of this Agreement, this Agreement shall be enforceable by the Court pursuant to Code of Civil Procedure Section 664.6 and the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties and Aggrieved Employees to interpret, enforce and effectuate the terms, conditions and obligations of the Agreement.

(q) The Parties have cooperated in the negotiation and preparation of this Agreement. This Agreement and the provisions contained herein shall not be construed or interpreted for or against any Party hereto because that Party drafted or caused that Party's legal representative to draft any of the provisions in the Agreement.

(r) The Parties agree that this settlement is fair, adequate, and reasonable, and will so represent to the Court. In addition, the Court may, in its discretion, contact Kelly A. Knight to discuss the settlement, and whether the settlement is fair and reasonable.

(s) The Parties agree to fully cooperate with each other to accomplish the terms of this Agreement, including but not limited to execution of such documents, and to take such other action as may reasonably be necessary to implement the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including without limitation all efforts contemplated by this Agreement, to effectuate this Agreement and the terms set forth herein.

(t) Plaintiff and Plaintiff's Counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, post on any internet website, or have any communication with the press about the Action, and/or the fact, amount or terms of the settlement. Before the date of the filing of the motion for approval of the Settlement, Plaintiff and Plaintiff's Counsel will not initiate any contact with Aggrieved Employees or anyone else about the settlement, except that: (a) Plaintiff's Counsel, if contacted by an Aggrieved Employee, may respond that a settlement has been reached; and (b) the Plaintiff, if contacted by an Aggrieved Employee, may respond only that the Aggrieved Employee should contact Plaintiff's Counsel. If the Plaintiff or Plaintiff's Counsel violates this paragraph of this Agreement, including without limitation, by making a disclosure to any non-Aggrieved Employees that (a) a settlement has been

reached or (b) any of the terms of the settlement, before the Court has approved the Settlement, Defendant may rescind the Settlement, rendering it null and void.

(u) The Parties represent and acknowledge that they have carefully read and understand all of the provisions of this Agreement. The Parties represent and acknowledge that they have been advised in writing, and have been afforded the right and opportunity to, consult with an attorney prior to executing this Agreement. The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other Parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement, or with respect to any such matters. The Parties further acknowledge and confirm that the only consideration for their signing this Agreement is the terms and conditions expressly stated in this Agreement, and that no other promise, representation, warranty, inducement or agreement of any kind, other than those set out in this Agreement regarding the PAGA Claims, has been made to them by any person to cause them to sign this Agreement.

(v) Each Party acknowledges and agrees that:

(1) No provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as amended);

(2) Each Party (a) has relied exclusively upon her, his, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Party or any attorney or advisor to any Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Party to avoid any tax penalty that may be imposed on the Party; and

(3) No attorney or advisor to any Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

(w) To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday or legal holiday, that deadline shall be continued until the following business day.

(x) The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement.

IN WITNESS WHEREOF the Parties have voluntarily executed this Private Attorneys General Act Settlement Agreement and Release of Claims on the date(s) set forth below. By signing this Agreement, each Party stipulates, agrees, and warrants as follows: (i) that the person

signing this Agreement will not challenge or contest in any way the capacity or authority of any Party hereto to enter into this Agreement; and (ii) that the person signing this Agreement has the necessary and appropriate authority and capacity to enter into this Agreement and to make this Agreement fully binding upon and enforceable against the Party on whose behalf the Agreement was signed.

APPROVED AND ACCEPTED.

Dated: 10 / 12 / 2022



Arlene Jaramillo

Dated: _____

JVS Foods, Inc.

By: _____

[Print Name] _____

[Title] _____

signing this Agreement will not challenge or contest in any way the capacity or authority of any Party hereto to enter into this Agreement; and (ii) that the person signing this Agreement has the necessary and appropriate authority and capacity to enter into this Agreement and to make this Agreement fully binding upon and enforceable against the Party on whose behalf the Agreement was signed.

APPROVED AND ACCEPTED.

Dated: _____

Arlene Jaramillo

Dated: 10/12/22

JVS Foods, Inc.
By: 
[Print Name] VICTORIA SU
[Title] CEO

Exhibit A

NOTICE OF SETTLEMENT UNDER CALIFORNIA LABOR CODE § 2698, ET SEQ.

ARLENE JARAMILLO V. JVS FOODS, INC., ET AL.
Los Angeles County Superior Court, Case No. 21TRCV00423

**This is not an advertisement.
A state court authorized this Notice.
Your rights may be affected by this Notice.**

To all current and former non-exempt employees who performed work for JVS Foods, Inc., during any portion of time during the period from April 5, 2020 through August 31, 2022 (individually referred to as “Aggrieved Employee” or collectively as “PAGA Group”). The term “PAGA” refers to the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698, *et seq.*).

PURPOSE OF THIS NOTICE

A judge of the Los Angeles County Superior Court has ordered that this Notice be sent to you. On [the date that the Court approves the settlement], the Court approved the settlement which was reached between the Plaintiff Arlene L. Jaramillo (“Plaintiff”) on behalf of herself and each of the PAGA Group, and JVS Foods, Inc. (“Defendant”), in the above-mentioned lawsuit now pending in the Superior Court for the State of California for the County of Los Angeles.

You have received this Notice because Defendant’s records indicate that you worked as a non-exempt employee for Defendant in California at any time during the period of April 5, 2020 through August 31, 2022 (the “PAGA Period”). This Notice encloses a penalty pursuant to the terms of a settlement agreement based upon PAGA. Defendant denies each and every allegation in the Lawsuit, as defined below, and Defendant denies any liability or wrongdoing of any kind whatsoever.

BACKGROUND REGARDING THE LAWSUIT

The term “Lawsuit” refers to Plaintiff’s lawsuit filed in the Superior Court for the State of California on June 9, 2021, titled *Arlene L. Jaramillo v. JVS Foods, Inc., et al.* and assigned case number 21TRCV00423. The causes of action in the Lawsuit are as follows: (1) Violation of the Private Attorneys' General Act, Labor Code § 2698 et seq. for Recovery of Unpaid Wages and Overtime; (2) Violation of the Private Attorneys' General Act, Labor Code § 2698 et seq. for Failure to Provide Meal Periods; (3) Violation of the Private Attorneys' General Act, Labor Code § 2698 et seq. for Failure to Provide Rest Periods; (4) Violation of the Private Attorneys' General Act, Labor Code § 2698 et seq. for Failure to Provide Accurate Itemized Wage Statements; (5) Violation of the Private Attorneys' General Act, Labor Code § 2698 et seq. for Failure to Pay Wages Due Upon Termination of Employment; and (6) Violation of the Private Attorneys' General Act, Labor Code § 2698 et seq. for Failure to Indemnify for Expenditures or Losses in Discharge of Duties.

Defendant denies each and every allegation in the Lawsuit, Defendant denies any liability or wrongdoing of any kind, and Defendant believes that it treated, and continues to treat its employees fairly and in compliance with the law.

SUMMARY OF THE SETTLEMENT

Terms Of The Settlement

Plaintiff and Defendant reached a settlement of the PAGA claims in the Lawsuit in the sum of \$205,000.00 (“Settlement Sum”). Neither the settlement nor this Notice shall be construed as an admission or concession

by any Plaintiff or Defendant. The settlement simply represents a compromise of disputed allegations.

Payment Calculations

The term “Net Settlement Amount” means the amount remaining from the Settlement Sum after deducting Plaintiff’s counsel’s fees, costs, expenses, and the costs of the claims administrator from the Settlement Sum.

As part of the settlement, each Aggrieved Employee is receiving a portion of the Net Settlement Amount on a pro-rata basis by multiplying the Net Settlement Amount by the ratio of (i) the number of pay periods worked by the Aggrieved Employee during the PAGA Period to (ii) the total number of pay periods worked by the PAGA Group during the PAGA Period (“Employee Settlement Share”). Enclosed herein is your Employee Settlement Share.

An IRS Form 1099 will be distributed to you and the appropriate taxing authorities reflecting the payment you receive under the settlement. You should consult your tax advisor concerning the tax consequences of your Employee Settlement Share. For purposes of this settlement, One-Hundred Percent (100%) of each Employee Settlement Share will be allocated as penalties for which an IRS Form 1099 will be issued.

Release

You are not a party to this Lawsuit, but you and the State of California will be bound by the release and judgment in this matter as to civil penalties. The scope of the release is as follows:

Plaintiff, the PAGA Group, and the State of California shall be deemed to have fully, finally, and forever released, relinquished, and discharged Defendant, and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, claim representatives, employees, predecessors, successors, assigns, affiliates, and subsidiaries from any and all claims, demands, rights, liabilities, and/or causes of action for penalties under PAGA that accrued during the PAGA Period and that were asserted in Plaintiff’s LWDA notice letter or the Lawsuit as well as those that could have been alleged in the Lawsuit based on the facts contained therein, including, Labor Code Sections 201, 202, 203, 204, 218.5, 226, 226.7, 227.3, 510, 512, 558, 1174, 1182.12, 1194, 1197, 2699, 2699.3, 2699.5, 2802, and the applicable Industrial Welfare Commission Orders including, but not limited to, Order No. 5-2001. Plaintiff shall be deemed to have acknowledged and agreed that her claims in this Lawsuit are disputed, and that the payments constitute settlement of all PAGA Claims. Aggrieved Employees shall be bound by the terms of the Agreement and individual payment shall resolve their claims under the PAGA asserted in Plaintiff’s LWDA notice letter or the Lawsuit as well as those that could have been alleged in the Lawsuit based on the facts contained therein. No release in this Agreement shall become effective until the Settlement Sum is fully funded.

How To Access Other Documents And Filings In The Lawsuit

This Notice is a summary of the settlement. For the precise terms of this settlement, consult the Private Attorneys General Act Settlement Agreement and Release of Claims (“PAGA Settlement Agreement”), which is attached to Plaintiff’s Motion for Approval, on file with the Court. The PAGA Settlement Agreement, the pleadings and other records regarding the Lawsuit may be examined at any time during regular business hours at the courthouse located at 111 North Hill Street, Los Angeles, California 90012. Such documents are also

available online by going to the following website: <http://www.lasc.org>. Please note, there may be fees for accessing documents online.

For More Information: For more information, or if you have any questions, you may contact:

Attorneys for the Plaintiff (PAGA Counsel)	Attorneys for Defendant
Kevin Mahoney, Esq John A. Young, Esq. Mahoney Law Group, APC 249 E. Ocean Boulevard, Suite 814 Long Beach, CA 90802 Phone: 562-590-5550 Fax: 562-590-840	Beth A. Kahn, Esq. Ryan C. McKim, Esq. Saige Shaw, Esq. Clark Hill LLP 555 South Flower Street, 24th Floor Los Angeles, CA 90071 Phone: 213-891-9100 Fax: 213-488-1178

The Settlement Administrator is Phoenix Class Action Administration Solutions.

The Settlement Administrator can be contacted at:

Arlene L. Jaramillo v. JVS Foods, Inc.

c/o

