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on behalf of herself and others aggrieved employees

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Attorneys for Defendant SHASON INC

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES - CENTRAL DISTRICT

REYNA AREVALO, on behalf of herself
and other aggrieved employees,

Plaintiff,

vs.

SHASON INC.; and DOES 1 to 100,
inclusive,

Defendants

CASE NO. 21STCV28167
[Unlimited Jurisdiction - PAGA]

[Assigned For All Purposes To The Hon. Gail
Killefer, Dept. 37]

**JOINT STIPULATION OF SETTLEMENT
PAGA ACTION**

Complaint: July 30, 2021
Trial Date: None Set

This Joint Stipulation of Settlement of PAGA Action is made by and between the Plaintiff, Reyna Arevalo ("Plaintiff"), on his own behalf and on behalf of all members of the PAGA Group, as defined below, on the one hand, and Shason Inc. ("Defendant") on the other hand (collectively the "Parties"), in the lawsuit entitled *Reyna Arevalo, on behalf of herself and others similarly situated v. Shason Inc. and Does 1 to 100*, filed in Los Angeles County Superior Court, Case No. 21STCV28167. This Joint Stipulation of Settlement of PAGA Action resolves all claims that were asserted or could have been asserted against Defendant arising out of the facts alleged in the Action.

I. DEFINITIONS

A. Action. The term "Action" as used herein means the action entitled filed in Los Angeles County Superior Court, Case No. 21STCV28167.

B. Administrative Costs. All administrative costs of settlement, including cost of notice to the PAGA Group, administration, and any fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Joint Stipulation of Settlement of PAGA Action.

C. Agreement. The terms "Agreement" or "Settlement Agreement" are used synonymously herein to mean this Joint Stipulation of Settlement of PAGA Action for purposes of resolution.

D. Court. The term "Court" as used herein means the Superior Court of the State of California for the County of Los Angeles.

E. Date of Approval. The terms "Date of Approval" or "Approval" as used herein mean the date of the PAGA Settlement Approval Hearing.

F. Defendant. The term "Defendant" as used herein means: Shason Inc.

G. Defense Counsel. The term "Defense Counsel" as used herein means: Law Offices of Ali R. Moghaddami who are counsel for and acting on behalf of Defendant.

H. Enhancement Award. The term "Enhancement Award" means an award in the amount of One Thousand Dollars (\$1,000.00) as a payment to Plaintiff for her time and effort in bringing this litigation to which Defendant will not object.

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1 **I. LWDA.** The term “LWDA” means the Labor Workforce Development Agency.

2 **J. LWDA Payment.** The term “LWDA Payment” as used herein means seventy-
3 five percent (75%) of the Net Settlement Amount which will be distributed to the LWDA in
4 accordance with California Labor Code section 2699(i).

5 **K. Net Settlement Amount.** The term “Net Settlement Amount” as used herein
6 means the Settlement Amount minus any award of attorneys’ fees and litigation costs,
7 Enhancement Award, and Administrative Costs.

8 **L. Net Settlement Payments.** The term “Net Settlement Payment(s)” shall include
9 payments made to the PAGA Group.

10 **M. Notice of Resolution.** The Notice of PAGA Resolution is the document attached
11 hereto as Exhibit “A.”

12 **N. PAGA Group or Aggrieved Employee(s).** The PAGA Group is defined as: All
13 individuals within the State of California who are or were employed by Defendant as hourly,
14 non-exempt employees in the State of California at any time within the PAGA Period.

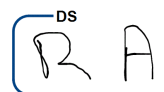
15 **O. PAGA Group Portion.** The PAGA Group Portion shall mean the remaining
16 twenty-five percent (25%) of the Net Settlement Amount designated to the PAGA Group. The
17 PAGA Group Portion will be distributed to the PAGA Group on a *pro rata* basis based on his
18 or her number of pay periods during the PAGA Period.

19 **P. PAGA List.** A list of the Aggrieved Employees including: (1) name; (2) last
20 known home address; (3) number of pay periods as a PAGA Group member during the PAGA
21 period (and any other employment information that may be necessary to calculate each PAGA
22 Group Members Net Settlement Payment); and (4) social security number.

23 **Q. PAGA Period.** The term “PAGA Period” or “Settlement Period” shall refer to the
24 time period from May 10, 2020 to January 20, 2023.

25 **R. Plaintiff.** The term “Plaintiff” as used herein means Reyna Arevalo. The term
26 Plaintiff shall be used synonymously with the term “PAGA Representative”.

27 **S. Plaintiff’s Counsel.** The term “Plaintiff’s Counsel” as used herein means: LAVI
28 & EBRAHIMIAN, LLP who are counsel for and acting on behalf of Plaintiff.



1 **T. Settlement Administrator.** The term “Settlement Administrator” as used herein
2 means CPT Group, which will be responsible for the administration of the Settlement and
3 distribution of the Settlement Amount, as defined below, and all related matters.

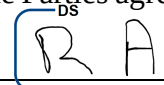
4 **U. Settlement Agreement.** The terms “Settlement Agreement” or “Agreement” are
5 used synonymously herein to means this Joint Stipulation of Settlement of PAGA Action.

6 **V. Settlement Amount.** The terms “Settlement Amount” and “Gross Settlement
7 Amount” as used herein mean a fund in the sum of One Hundred Thousand Dollars and Zero
8 Cents (\$100,000.00) which shall be paid by Defendant, and from which all Net Settlement
9 Payments, Court approved attorneys’ fees and litigation costs pursuant to Section X, the
10 Enhancement Payment pursuant to Section XI, Administrative Costs pursuant to Section VI,
11 and distribution to the LWDA pursuant to Section VIII(C) shall be paid, except as provided
12 herein.

13 **II. BACKGROUND**

14 **A.** On May 10, 2021, Plaintiff submitted a letter to the LWDA alleging violations
15 of wage and hour laws including failure to pay all minimum wages, failure to pay all overtime
16 wages, failure to provide meal breaks, failure to provide rest breaks, failure to provide accurate
17 wage statements, and failure to timely pay final wages. On July 30, 2021, Plaintiff filed the
18 Action alleging a single case of action for penalties pursuant to Labor Code § 2699(f) for alleged
19 violations and penalties under Labor Code §§2699(f), 201, 202, 203, 204, 226, 226.7, 510, 512,
20 1194, 1197, 1198, as well as the IWC Wage Order. In the Action, Plaintiff alleges that Defendant
21 failed to provide meal breaks and failed to authorize and permit legally compliant rest breaks
22 each day and failed to provide premium pay for the alleged meal and rest break violations.
23 Plaintiff further alleges that minimum, overtime and double time wages were not properly paid.
24 Moreover, Plaintiff alleges that the employees received inaccurate wage statements and were
25 not paid all wages owed upon termination and/or resignation.

26 **B.** Following the filing of the action, the Parties engaged in formal discovery and
27 Defendant took Plaintiff’s deposition. Thereafter, counsel for the Parties met and conferred with
28 respect to the potential settlement of the Action. Pursuant to these discussions, the Parties agreed



1 to exchange informal discovery and engage in private mediation.

2 C. Plaintiff and Plaintiff's Counsel have engaged in good faith, arms-length
3 negotiations. On January 20, 2023, the Parties participated in a mediation before mediator Hon.
4 Ann I. Jones (Ret.) and reached a resolution of this matter, subject to the Approval of the Court,
5 and finalization of a formal Joint Stipulation of Settlement of PAGA Action. The Parties have
6 now entered into a more detailed, formalized Settlement Agreement for submission to the Court
7 for Approval.

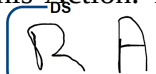
8 D. Plaintiff's Counsel has conducted an investigation of the law and facts relating
9 to the claims asserted in the Action and has concluded, taking into account the sharply contested
10 issues involved, the expense and time necessary to pursue the Action through trial and any
11 appeals, the risks and costs of further prosecution of the Action, the risk of an adverse outcome,
12 the uncertainties of complex litigation, and the substantial benefits to be received by the Plaintiff
13 and the members of the PAGA Group pursuant to this Agreement, that a settlement with
14 Defendant on the terms and conditions set forth herein is fair, reasonable, adequate, and in the
15 best interests of the PAGA Group. Plaintiff, on her own behalf and as a representative pursuant
16 to PAGA, has agreed to settle the Action with Defendant on the terms set forth herein.

17 E. Defendant has concluded that, because of the substantial expense of continuing
18 to defend against the Action, the length of time necessary to resolve the issues presented herein,
19 the inconvenience involved, and the concomitant disruption to their business operations, it is in
20 its best interests to accept the terms of this Agreement. Defendant denies each of the allegations
21 and claims asserted against it in the Action. However, Defendant nevertheless desires to settle
22 the Action for the purpose of avoiding the burden, expense and uncertainty of continuing
23 litigation and for the purpose of putting to rest the controversies engendered by the Action.

24 F. This Agreement is intended to and does effectuate the full, final and complete
25 resolution of all allegations and claims that were asserted, or could have been asserted, in the
26 Action by Plaintiff.

27 **III. JURISDICTION**

28 The Court has jurisdiction over the Parties and the subject matter of this Action. The



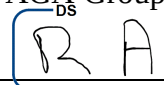
1 Action includes claims that, while Defendant denies them in their entirety, would, if proven,
2 authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted
3 Approval of the resolution, pursuant to California Code of Civil Procedure Section 664.6, the
4 Court shall retain jurisdiction of this action solely for the purpose of interpreting, implementing,
5 and enforcing this Joint Stipulation of Settlement of PAGA Action consistent with the terms set
6 forth herein, and the Parties and their counsel submit to the jurisdiction of the Court for purposes
7 of interpreting, implementing and enforcing this Agreement and all orders and judgments
8 entered in connection therewith.

9 **IV. STATEMENT OF NO ADMISSION**

10 **A.** Defendant denies liability to Plaintiff and to the PAGA Group upon any claim or
11 cause of action. This Agreement does not constitute, and is not intended to constitute, an
12 admission by Defendant as to the merits, validity, or accuracy of any of the allegations or claims
13 made against it in the Action.

14 **B.** Nothing in this Agreement, nor any action taken in implementation thereof, nor
15 any statements, discussions or communications, nor any materials prepared, exchanged, issued
16 or used during the course of the negotiations leading to this Agreement, is intended by the Parties
17 to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible
18 in any way in this case or any other judicial, arbitral, administrative, investigative or other forum
19 or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance,
20 regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties
21 themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this
22 case or any other judicial, arbitral, administrative, investigative or other forum or proceeding,
23 as purported evidence of any violation of any federal, state, or local law, statute, ordinance,
24 regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other
25 purpose. Notwithstanding the foregoing, this Agreement may be used in any proceeding before
26 the Court that has as its purpose the interpretation, implementation, or enforcement of this
27 Agreement or any orders or judgments of the Court entered in connection with the resolution.

28 **C.** None of the documents produced or created by Plaintiff or the PAGA Group in



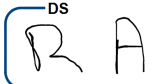
1 connection with the claims procedures or claims resolution procedures constitute, and they are
2 not intended to constitute, an admission by Defendant of any violation of any federal, state, or
3 local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law
4 or in equity.

5 **D.** Nothing in this Agreement will be construed as an admission or
6 acknowledgement of any kind that any group should or would be given collective treatment in
7 the Action or in any other action or proceeding. Further, neither this Agreement nor the Court's
8 actions with regard to this Agreement will be admissible in any court or other tribunal regarding
9 the propriety of collective treatment. In the event that this Agreement is not approved by the
10 Court or any appellate court, is terminated, or otherwise fails to be enforceable, Plaintiff will
11 not be deemed to have waived, limited or affected in any way any claims, rights or remedies in
12 the Action, and Defendant will not be deemed to have waived, limited, or affected in any way
13 any of their objections or defenses in the Action.

14 **V. RELEASE, DISMISSAL, AND CONFIDENTIALITY**

15 **A. Release as to PAGA Claims.**

16 Upon Approval by the Court of this Settlement and Defendant's full funding of the
17 Settlement Amount, Plaintiff, as a representative of the State of California, the PAGA Group,
18 and the State of California will release any and all claims and causes of action, known or
19 unknown, contingent or accrued, against Defendant, Defendant's parents, subsidiaries,
20 affiliates, their insurers, attorneys, shareholders, executives, managers, and all agents thereof
21 (collectively "Released Parties"), arising out of the facts and claims asserted in the Action for
22 civil penalties under the Private Attorney General Act of 2004 Cal. Lab. Code § 2698 based
23 upon the facts alleged, for violations of the California Labor Code governing: meal and rest
24 breaks; unpaid wages, including minimum wages, regular wages, overtime, and double time
25 wages, and all theories for or related to nonpayment of such wages; wage statement violations;
26 separation pay violations; and any other penalties which could be asserted based on the
27 allegations alleged against Defendant in Plaintiff's LWDA letter and the Action.

28 

1 **B. Publicity.**

2 The Plaintiff agrees that she has not and will not publish the Settlement. By way of this
3 settlement, Plaintiff directs her counsel not to issue any press releases or press statements
4 regarding the Settlement, identify Defendant or Defense Counsel by name in any media
5 including Plaintiff's Counsel's website, or have any communications with the press or media
6 about the Action or the Settlement. However, nothing in the provision shall be construed from
7 as preventing the Parties from taking following actions: (a) Plaintiff's counsel shall be allowed
8 to refer to the Action and Settlement in other litigations to support their adequacy as attorneys
9 for a putative class or PAGA group or to justify an award of attorneys' fees; (b) the Parties shall
10 have the right to disclose the Resolution as may be required under federal or state tax and/or
11 securities laws or under Generally Accepted Accounting Principles; (c) the Parties shall have
12 the right to disclose the Settlement to third parties without identifying the case name, case
13 number, or names of any of the Parties or Released Parties; (d) the Parties may refer to the
14 Resolution, describe its terms, and file the settlement agreement with the Court, the LWDA, and
15 the Settlement Administrator in connection with any proceedings which are reasonably
16 necessary to obtain Approval of the Settlement; and (e) the Parties or their representatives may
17 communicate with accountants or legal advisors regarding the Settlement. Except for the
18 previously listed exceptions, in response to any inquiries about the Action, the Parties may state
19 that "the matter has been resolved."

20 **VI. SETTLEMENT ADMINISTRATOR**

21 Plaintiff and Defendant, through their respective counsel, have selected CPT Group as
22 the Settlement Administrator to administer the Settlement, which includes but is not limited to
23 distributing and responding to inquiries about the Notice of PAGA Resolution and calculating
24 all amounts to be paid from the Net Settlement Amount. Charges and expenses of the Settlement
25 Administrator, estimated to be Six Thousand Dollars (\$6,000.00), will be paid from the
26 Settlement Amount. Any charges and expenses of the Settlement Administrator greater than the
27 allocated Six Thousand Dollars (\$6,000.00) will come from the Settlement Amount. If the actual
28 Settlement Administrator fees are less than the Parties' estimation, the difference between the

1 actual and estimated Settlement Administrator fees will be included in the Net Settlement
2 Amount.

3 **VII. NOTICE**

4 **A.** Plaintiff and Defendant, through their respective attorneys, have jointly prepared
5 a Notice of PAGA Resolution, in the form attached hereto as “**Exhibit A**” which in substance
6 will be provided to the members of the PAGA Group as follows:

7 (1) As soon as practicable following Approval of the Settlement, but no later
8 than fifteen (15) calendar days after the Court’s Approval, Defendant will provide to the
9 Settlement Administrator the PAGA List.

10 (2) The Settlement Administrator shall run all the addresses provided through
11 the United States Postal Service NCOA database (which provides updated addresses for any
12 individual who has moved in the previous four years who has notified the U.S. Postal Service of
13 a forwarding address) to obtain current address information.

14 (3) Within twenty-one (21) calendar days after the Settlement Administrator’s
15 receipt of the PAGA List, the Settlement Administrator will mail the Notice of PAGA Resolution
16 together with a settlement payment to all PAGA Group members by first-class United States
17 mail, postage prepaid, with directions to the Postmaster to forward the Notice and return all
18 undeliverable Notices to the Settlement Administrator. For each Notice of PAGA Resolution and
19 settlement payment that is returned as undeliverable, the Settlement Administrator shall promptly
20 attempt to locate the Aggrieved Employee by performing an additional skip trace and shall re-
21 mail the Notice of PAGA Resolution and settlement check no later than ten (10) calendar days
22 following receipt of the undeliverable Notice of PAGA Resolution.

23 (4) The Notice of PAGA Resolution will be provided in English.

24 **VIII. COMPUTATION AND DISTRIBUTION OF PAYMENTS**

25 **A. Distribution Formula.**

26 (1) Members of the PAGA Group will receive a lump sum payment in an
27 amount determined by the Settlement Administrator in accordance with the provisions of this
28 Agreement.

(2) The lump sum payment to each member of the PAGA Group will be determined by dividing the Net Settlement Amount by the total number of pay periods worked by all members of the PAGA Group during the Settlement Period (the "Pay Period Amount") and then multiplying the Pay Period Amount by the number of pay periods worked by the individual PAGA member.

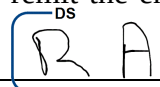
B. Funding of Resolution.

(1) The funding of the Settlement Amount will be completed at one time with funds provided to and escrowed by the Settlement Administrator. The funds used for the Settlement Amount shall be paid to the Settlement Administrator by Defendant within twenty (20) calendar days of its receipt of a notice of entry of the Court's Approval order.

(2) If a PAGA Group member is deceased at the time of distribution, the Settlement Administrator shall distribute the deceased PAGA Group member's Net Settlement Payment to the deceased PAGA Group member's legal heir(s). In the event of a dispute as to the legal heir(s), the Settlement Administrator shall notify the executor of the deceased PAGA Group member's estate and attempt to place the deceased PAGA Group member's payment in escrow or similar disposition such that any competing heirs may take whatever action they wish to resolve ultimate disposition of such money and the Settlement Administrator and the Parties hereto may disclaim any further interest in or obligation in relation to such money.

(3) If a check is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace search and, if another address is identified, shall mail the check to the newly identified address. If the Settlement Administrator is unable to obtain a valid mailing address through this process, the monies represented by the check shall be turned over according to the below procedures.

(4) Settlement checks will specifically indicate that they are void if not negotiated within one hundred eighty 180 days of their issuance. Any settlement checks that remain uncashed one hundred eighty (180) or more calendar days after issuance by the Settlement Administrator shall be voided. The Settlement Administrator will remit the entire



1 amount of each PAGA Group member's uncashed Net Settlement Payment to the California
2 State Controller for deposit in the Unclaimed Property Fund in the name of the PAGA Group
3 member to whom the uncashed Net Settlement Payment was drafted.

4 **C. Time for Distribution of the Attorneys' Fees, Costs, Enhancement Award,**
5 **and LWDA Payment.**

6 The Settlement Administrator shall cause the Court approved attorneys' fees, litigation
7 costs, Enhancement Award, and LWDA Payment to be paid at the same time and manner as the
8 Settlement Payments to the PAGA Group.

9 **IX. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN**

10 The amounts paid under this Agreement do not represent a modification of any
11 previously credited hours of service under any employee benefit plan, policy or bonus program
12 sponsored by Defendant. Such amounts will not form the basis for additional contributions to,
13 benefits under, or any other monetary entitlement under, benefit plans (self-insured or not)
14 sponsored by Defendant, policies or bonus programs. Any payments made under the terms of
15 this Settlement shall not be applied retroactively, currently or on a going forward basis as salary,
16 earnings, wages, or any other form of compensation for the purposes of Defendant's benefit
17 plan, policy or bonus program. Defendant retains the right to modify the language of its benefit
18 plans, policies and bonus programs to effect this intent and to make clear that any amounts paid
19 pursuant to this Settlement are not for "hours worked," "hours paid," "hours of service," or any
20 similar measuring term as defined by applicable plans, policies and bonus programs for purpose
21 of eligibility, vesting, benefit accrual or any other purpose, and that additional contributions or
22 benefits are not required by this Settlement.

23 **X. PLAINTIFF'S COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS**

24 Defendant shall not oppose an application by Plaintiff's Counsel to receive, and
25 Plaintiff's Counsel shall not seek or receive, an amount in excess of Thirty-Three Thousand
26 Three Hundred Thirty-Three Dollars and Zero Cents (\$33,333.00) which represents 33 1/3% of
27 the Settlement Amount for all past and future attorneys' fees necessary to prosecute, settle, and
28 administer the Action and this Settlement. In the event that the escalator clause in section I.U.

herein is triggered and the Settlement Amount is increased, Plaintiff's Counsel has, at their discretion, the option to increase their attorneys' fees in order to remain at 33 1/3% of the Settlement Amount. Additionally, Defendant shall not oppose an application by Plaintiff's Counsel to receive, and Plaintiff's Counsel shall not seek or receive, an amount in excess of Twenty Thousand Dollars (\$20,000.00), which represents all past and future litigation costs and expenses necessary to prosecute, settle and administer the Action and this Settlement. Any attorneys' fees or litigation costs awarded to Plaintiff's Counsel by the Court shall be deducted from the Settlement Amount for the purpose of determining the Net Settlement Amount. This amount shall include all attorneys' fees and litigation costs and expenses for which Plaintiff and Plaintiff's Counsel could claim under any legal theory whatsoever. Should the Court approve a lesser percentage or amount of fees and/or litigation costs than the amount that Plaintiff's Counsel ultimately seeks, then the unapproved portion or portions shall revert to the Net Settlement Amount.

XI. PLAINTIFF'S ENHANCEMENT AWARD

Plaintiff will apply for an Enhancement Award in the amount of One Thousand Dollars and Zero Cents (\$1,000.00) each for her work in prosecuting the Action and securing this Settlement. The Court will determine the amount of Enhancement Award to award. This Settlement is not contingent upon the Court awarding any particular amount for Enhancement Award. If the Court awards less than the full amount of the Enhancement Award requested by Plaintiff, the unawarded amount shall become part of the Net Settlement Amount.

XII. TAXATION AND ALLOCATION

A. For withholding tax characterization purposes and payment of taxes, the Net Settlement Amount shall be deemed and is allocated by the Parties as follows: 100% as penalties.

B. All PAGA Group members who cash their settlement check may receive an IRS Form 1099 for their portion of the settlement, if deemed required by the Settlement Administrator (in compliance with IRS guidelines).

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1 C. Nothing in this Settlement is intended to constitute legal advice regarding
2 federal, state, and/or local tax obligations. The Parties, Defense Counsel and Plaintiff's Counsel
3 make no representations as to the tax treatment or legal effect of the payments called for
4 hereunder, and Aggrieved Employees are not relying on any statement or representation by the
5 Parties, Plaintiff's Counsel or Defense Counsel in this regard. Aggrieved Employees understand
6 and agree that they will be responsible for the payment of any employee taxes and penalties
7 assessed on the payment described herein and will hold the Parties, Plaintiff's Counsel and
8 Defense Counsel free and harmless from and against any claims, liabilities, costs and expenses,
9 including attorney's fees, resulting in any way from personal tax treatment of the payments
10 made pursuant to this Agreement. To the extent that this Settlement or any of its attachments is
11 interpreted to contain or constitute advice regarding any state or federal tax issue, such advice
12 is not intended or written to be used, and cannot be used, by any person for the purpose of
13 avoiding penalties under the Internal Revenue Code. Neither the Parties, Plaintiff's Counsel nor
14 Defense Counsel are responsible for any Aggrieved Employee's tax obligations regarding the
15 allocation of the settlement payments.

16 **XIII. COURT APPROVAL**

17 This Agreement and the Resolution is contingent upon Approval by the Court. Plaintiff
18 and Defendant agree to take all steps as may be reasonably necessary to secure Approval of the
19 Resolution, to the extent not inconsistent with the terms of this Agreement, and will not take
20 any action adverse to each other in obtaining Court Approval of the Resolution in all respects.

21 **XIV. APPRISAL AND CERTIFICATION BY THE SETTLEMENT**
22 **ADMINISTRATOR.**

23 The Settlement Administrator shall keep Plaintiff's Counsel and Defense Counsel
24 apprised of all distributions from the Settlement Amount. Upon completion of administration of
25 the Settlement, the Settlement Administrator shall provide written certification of such
26 completion to Plaintiff's Counsel and Defense Counsel. The Settlement Administrator shall also
27 provide Defense Counsel with a final accounting, including the names of payees and Net
28 Settlement Payments.

1 **XV. MISCELLANEOUS PROVISIONS**

2 **A. Stay of Action.**

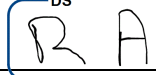
3 Named Plaintiff and Defendant agree to the stay of all discovery in the Action, pending
4 Approval of the Resolution by the Court.

5 **B. Interpretation of This Agreement.**

6 (1) This Agreement constitutes the entire agreement between Plaintiff and
7 Defendant. Except as expressly provided herein, this Agreement has not been executed in
8 reliance upon any other written or oral representations or terms, and no such extrinsic oral or
9 written representations or terms shall modify, vary or contradict its terms. In entering into this
10 Agreement, the Parties agree that this Agreement is to be construed according to its terms and
11 may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and
12 enforced under the laws of the State of California, both in its procedural and substantive aspects,
13 without regard to its conflict of laws provisions. Any claim arising out of or relating to this
14 Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior
15 Court of the State of California for the County of Los Angeles, and Plaintiff and Defendant
16 hereby consent to the personal jurisdiction of the Court over them solely in connection
17 therewith. The foregoing is only limited to disputes concerning this Agreement and in no way
18 limits or negates the enforceability and effect of the underlying arbitration agreements signed
19 by employees of Defendant, specifically including but not limited to Plaintiff, obligating them
20 to arbitrate any and all claims on an individual (and not on a class, collective, or representative)
21 basis.

22 (2) Plaintiff, on her own behalf and on behalf of the PAGA Group, and
23 Defendant participated in the negotiation and drafting of this Agreement and had available to
24 them the advice and assistance of independent counsel. As such, neither Plaintiff nor Defendant
25 may claim that any ambiguity in this Agreement should be construed against the other.

26 (3) The terms and conditions of this Agreement constitute the exclusive and
27 final understanding and expression of all agreements between Plaintiff and Defendant with
28 respect to the settlement of the Action. This Agreement may be modified only by a writing



signed by counsel for all Parties or their successors-in-interest.

C. Further Cooperation.

Plaintiff and Defendant and their respective counsel shall proceed diligently to prepare and execute all documents, to seek Approval from the Court, and to do all things reasonably necessary or convenient to consummate this Agreement as expeditiously as possible.

D. Confidentiality of Documents.

Plaintiff, and the Settlement Administrator, shall maintain the confidentiality of all documents, deposition transcripts, declarations and other information obtained in the lawsuit, unless necessary for appeal or such documents are ordered to be disclosed by the Judge or by a subpoena.

E. Counterparts.

This Agreement may be executed in one or more actual or non-original counterparts, all of which will be considered one and the same instrument and all of which will be considered duplicate originals. This Agreement may be signed electronically or by facsimile, and an electronic or facsimile signature is deemed valid and binding, and triggers all rights and obligations under this Agreement.

F. Authority.

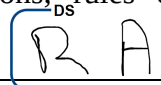
Each individual signing below warrants that he or she has or they have the authority to execute this Agreement on behalf of the party for whom or which that individual signs.

G. No Third-Party Beneficiaries.

Named Plaintiff, members of the PAGA Group, Defendant and Released Parties are direct beneficiaries of this Agreement, but there are no third-party beneficiaries.

H. Force Majeure.

The failure of any party to perform any of its obligations hereunder shall not subject such party to any liability or remedy for damages, or otherwise, where such failure is occasioned in whole or in part by acts of God, fires, accidents, earthquakes, other natural disasters, explosions, floods, wars, interruptions or delays in transportation, power outages, labor disputes or shortages, shortages of material or supplies, governmental laws, restrictions, rules or



regulations, sabotage, terrorist acts, acts or failures to act of any third parties, or any other similar or different circumstances or causes beyond the reasonable control of such party.

I. Deadlines Falling on Weekends or Holidays.

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

J. Severability.

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defense Counsel and Plaintiff's Counsel, on behalf of the Parties and the PAGA Group, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

K. Defendant's Fees and Costs

All of Defendant's own legal fees, costs and expenses incurred in this Action shall be borne by Defendant.

APPROVED AS TO CONTENT

DATE: marzo 23, 2023 2023

DocuSigned by:
Reyna Arevalo
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REYNA AREVALO

DATE: _____, 2023

By:

For: SHASON INC.

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1 regulations, sabotage, terrorist acts, acts or failures to act of any third parties, or any other similar
2 or different circumstances or causes beyond the reasonable control of such party.

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5 or legal/court holiday, that deadline shall be continued until the following business day.

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8 any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
9 unenforceability shall in no way effect any other provision if Defense Counsel and Plaintiff's
10 Counsel, on behalf of the Parties and the PAGA Group, mutually elect in writing to proceed as
11 if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

12 **K. Defendant's Fees and Costs**

13 All of Defendant's own legal fees, costs and expenses incurred in this Action shall be
14 borne by Defendant.

15
16 APPROVED AS TO CONTENT

17 DATE: _____, 2023

18 _____
REYNA AREVALO

19
20 DATE: 3/3, 2023

21 _____
By: Andrew Liu

22 For: SHASON INC.
23

24 APPROVED AS TO FORM

25
26 DATE: _____, 2023

LAVI & EBRAHIMIAN, LLP

1 APPROVED AS TO FORM

2
3 DATE: March 24, 2023 2023

LAVI & EBRAHIMIAN, LLP

4
5 By: _____

DocuSigned by:
Joseph Lavi
871E0169FCF244D...

6 Joseph Lavi
7 Vincent C. Granberry
8 Melissa A. Huether
9 Attorneys for Plaintiff

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11
12 DATE: _____, 2023

Law Offices of Ali R. Moghaddami

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28 By: _____

Ali R. Moghaddami
Attorneys for Defendant

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APPROVED AS TO FORM

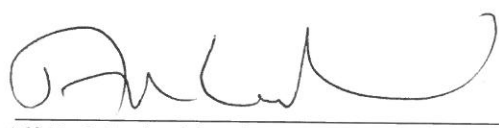
DATE: _____, 2023

LAVI & EBRAHIMIAN, LLP

By: _____
Joseph Lavi
Vincent C. Granberry
Melissa A. Huether
Attorneys for Plaintiff

DATE: 3/27, 2023

Law Offices of Ali R. Moghaddami

By: 

Ali R. Moghaddami
Attorneys for Defendant

Exhibit A

NOTICE OF PAGA RESOLUTION

Reyna Arevalo v. Shason, Inc.
Superior Court of the State of California for the County of Los Angeles
Case No. 21STCV28167

<<Name>>
<<Address>>
<<City>>, <<State>> <<Zip Code>>
XX - XX - _ _ _ _

I. NOTICE OF PAGA SETTLEMENT

The Los Angeles County Superior Court (the “Court”) has approved a settlement in the above-captioned action filed by Reyna Arevalo (“Plaintiff”) on behalf of herself and all other aggrieved employees.

In this lawsuit, Plaintiff is seeking to recover civil penalties on behalf of the California Labor and Workforce Development Agency (“LWDA”) and other aggrieved employees under the California Private Attorneys General Act (“PAGA”). These civil penalties are based on Plaintiff’s allegations that defendant Shason, Inc. (“Defendant”) violated California state wage and hour laws governing: meal and rest breaks; unpaid wages, including minimum wages, regular wages, overtime, and double time wages, and all theories for or related to nonpayment of such wages; wage statement violations; and separation pay violations.

The Court has **not** made a determination about Plaintiff’s claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of Plaintiff’s claims.

Defendant denies Plaintiff’s allegations. Defendant maintains it was in compliance with the California Labor Code at all times. It contends that it followed lawful policies and practices and that Plaintiff and the other non-exempt employees at issue in the PAGA Action were paid appropriate meal period and rest break wages, properly paid all appropriate minimum and overtime wages, and provided compliant wage statements. It enters into this Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

You are receiving this Notice because you are in the group of employees referred to as “Aggrieved Employees,” which is defined as: (a) All individuals within the State of California who are or were employed by Defendant as hourly, non-exempt employees in the State of California at any time within the PAGA Period. The “PAGA Period” is from May 10, 2020 to January 20, 2023.

II. INDIVIDUAL PAGA PAYMENT

Each individual PAGA payment was calculated on a proportional basis based on the number of pay periods worked by that individual during the PAGA Period. Your individual PAGA

payment has been calculated at \$[AMOUNT PAID TO THIS EMPLOYEE]. Your payment is enclosed with this Notice.

The amount paid to each Aggrieved Employee will be allocated as follows: one-hundred percent (100%) will be attributed to penalties and will be reported on an IRS Form 1099. The Parties agree that all Aggrieved Employees who receive payment pursuant to this settlement will be responsible for any and all tax obligations associated with such receipt. **You will be responsible for correctly characterizing this compensation for tax purposes and paying any taxes that may be due on the payment you receive. Neither Counsel for Plaintiff, Counsel for Defendant, nor the Settlement Administrator may legally provide you with advice regarding the tax implications of the receipt of this settlement payment.**

III. RELEASE

The Court has approved the Parties' Settlement Agreement ("Settlement"). By operation of the Settlement's terms, Plaintiff, as a representative of the State of California, the PAGA Group, and the State of California will release any and all claims and causes of action, known or unknown, contingent or accrued, against Defendant, Defendant's parents, subsidiaries, affiliates, their insurers, attorneys, shareholders, executives, managers, and all agents thereof (collectively "Released Parties"), arising out of the facts and claims asserted in the Action for civil penalties under the Private Attorney General Act of 2004 Cal. Lab. Code § 2698 based upon the facts alleged, for violations of the California Labor Code governing: meal and rest breaks; unpaid wages, including minimum wages, regular wages, overtime, and double time wages, and all theories for or related to nonpayment of such wages; wage statement violations; separation pay violations; and any other penalties which could be asserted based on the allegations alleged against Defendant in Plaintiff's LWDA letter and the Action.

IV. SETTLEMENT ADMINISTRATOR

**** PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE ****

You may call the Settlement Administrator at [ADMINISTRATOR INFO] with any questions.

Settlement checks will be void 180 days after issuance if not deposited or cashed. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement. If you do not cash or otherwise deposit your check, after 180 days, it will be transmitted to the California State Controller's Office in the Unclaimed Property Fund in your name.