

SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIMS

This Settlement Agreement and Release of PAGA Claim ("Settlement Agreement") is made by and between Plaintiff Sophia Ayoub, on behalf of herself and as a representative for the California Labor Workforce Development Agency ("LWDA"), and Eternity Jewelers Inc. D/B/A Happy Jewelers ("Happy Jewelers" or "Defendant") who may collectively be referred to herein as the "Parties," and each may be individually referred to as a "Party."

A. Definitions

The following terms, when used in this settlement agreement, shall have the following meanings:

1. "Action" or "Lawsuit" means and refers to *Sophia Ayoub v. Eternity Jewelry, Corporation D/B/A Happy Jewelers.*, Los Angeles County Superior Court Case Number 21STCV20340.
2. "Agreement," "Stipulation," or "Settlement Agreement," shall mean this Settlement Agreement and Release of PAGA Claims, including any attached Exhibits.
3. "Attorneys' Fees and Costs" means the amount of \$9,900.00 (one-third of the Gross Settlement Amount) which shall be allocated to Plaintiff's Counsel for attorneys' fees, and actual costs in the amount of \$9,500.00, all of which shall be paid out of the Settlement Amount. This Settlement is not conditioned on approval of the Attorneys' Fees and Costs; in other words, this Settlement shall remain in full force and effect if the Court awards less than the requested Attorneys' Fees and Costs. If less than \$19,400.00 is awarded for Attorneys' Fees and Costs, the difference shall return to the Net PAGA Settlement Amount.
4. "Court" (or "Judge") means the Los Angeles County Superior Court, Department 36, the Honorable Wendy Chang, presiding.
5. "Defendant" means Happy Jewelers.
6. "Defendant's Counsel" means Everett Dorey LLP.
7. "Effective Date" means the date that the Court enters the Final Judgment and Order approving the PAGA settlement.
8. "Eligible Pay Period" means any pay period worked by a PAGA Employee during the PAGA Release Period.
9. "Final Approval Date" means the date that the Court enters the Final Order.
10. "Final Judgment and Order" means the Court's order approving this Private Attorneys General Act of 2004 ("PAGA") Settlement. The Final Judgment and Order will be submitted, substantially in the form attached hereto as **Exhibit 1**, in connection with the Stipulation for Approval of this Settlement.

11. “Gross Settlement Amount” means the maximum settlement amount that Defendant will pay in connection with this Settlement, which is \$30,000.00. This Gross Settlement Amount is intended to settle both Plaintiff’s wage and hour claims against Defendant and the PAGA Representative Claims asserted in the Operative Complaint.

12. “LWDA Settlement Proceeds” means the seventy-five percent (75%) of the Net PAGA Settlement Amount that shall be paid to the Labor Workforce and Development Agency (“LWDA”).

13. “Net PAGA Settlement Amount” is the amount of the Gross Settlement Amount that remains after deducting Plaintiff’s Counsel’s Attorneys’ Fees and Costs, and the Settlement Administrator’s fees and costs, and the Service Award, including all applicable taxes, deductions, and withholdings, which shall be allocated as civil penalties in accordance with California Labor Code section 2699(i). Seventy-five percent (75%) of the Net PAGA Settlement Amount shall constitute LWDA Settlement Proceeds, and the remaining twenty-five percent (25%) of the Net PAGA Settlement Amount will be paid out to the PAGA Employees (“PAGA Employees Settlement Proceeds Fund”).

14. “Notice” means the notice that will be sent to the PAGA Employees with payment after the Final Order is entered by the Court. The Notice will be sent to PAGA Employees substantially in the form attached hereto as **Exhibit 2**. The Notice will be sent to the PAGA Employees in English.

15. “Operative Complaint” means the Complaint filed by Plaintiff which asserts PAGA causes of action against Defendant, along with various claims for wage and hour violations against Defendant.

16. “PAGA Employees” means all current and former non-exempt employees employed by Defendant in California at any time between June 1, 2020 through the Final Approval Date.

17. “PAGA Employees Settlement Proceeds Fund” means the twenty-five percent (25%) of the Net PAGA Settlement Amount that shall be paid to the PAGA Employees.

18. “Plaintiff’s Individual Claims” means all of Plaintiff’s claims brought in the Operative Complaint other than the PAGA Representative Claims.

19. “PAGA Representative Claims” means Plaintiff’s PAGA claims under California Labor Code § 2698 *et. seq.* based on alleged predicate violations of the California Labor Code and all applicable sections of the applicable Industrial Welfare Commission Wage Order alleged in the Operative Complaint.

20. “PAGA Settlement” or “Settlement” means the settlement of the Action as memorialized in this Agreement.

21. “PAGA Release Period” means June 1, 2020 through the Final Approval Date.

22. “Parties” means Plaintiff and Defendant collectively.

23. “Plaintiff” means Sophia Ayoub.

24. “Plaintiff’s Counsel” means Arman Demirjian and Romina Keshishyan of RK Legal, PC and Rami Hamoui of Hamoui Law.

25. “Released Parties” means Defendant Happy Jewelers and its related entities, parents, subsidiaries, predecessors, successors, assigns, owners, officers, directors, employees and agents only.

26. “Settlement” means the collective settlement of the PAGA Representative Claims and all other claims brought by Plaintiff in the Operative Complaint as memorialized in this Agreement.

27. “Settlement Administrator” means ILYM Group, Inc. The Settlement Administrator will agree to enter into a confidentiality agreement by which it agrees to maintain as confidential the information so designated by Defendant and not to disseminate any designated information without the written approval of Defendant. The Settlement Administrator will be responsible for, *inter alia*, sending Notice and payments to PAGA Employees and the LWDA and distributing other payments as set forth in this Agreement.

28. “Settlement Administration Costs” means the amount of \$1,729.28 which shall be paid to the Settlement Administrator for performing the duties provided under the Settlement. If less than \$1,729.28 is approved for Settlement Administration costs to ILYM Group, Inc., the difference shall return to the Net Settlement Amount.

29. “Service Award” means the amount of \$1,000.00 which shall be allocated to Plaintiff, subject to Court approval, in recognition for her efforts in prosecuting the case, obtaining the benefit of the Settlement, and as consideration for Plaintiff’s released claims, which include a broad general release, against Defendant. The Service Award shall be paid from the Settlement Amount. This Settlement is not conditioned on approval of the Service Award; in other words, this Settlement shall remain in full force and effect if the Court awards less than the requested \$1,000.00. If less than \$1,000.00 is awarded to Plaintiff, the difference shall return to the Net Settlement Amount.

B. General

1. On June 1, 2021, Plaintiff filed the Action in the Los Angeles County Superior Court, entitled *Sophia Ayoub v. Eternity Jewelry, Corporation, D/B/A Happy Jewelers*, Case Number: 21STCV20340. Plaintiff filed a Complaint which asserts various wage and hour claims against Defendant. On November 8, 2021, Plaintiff filed the First Amended Complaint, which added PAGA Representative Claims to Plaintiff’s Individual Claims.

2. Defendant denies all of the allegations and claims asserted in the Lawsuit and deny that it has committed any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct of any kind.

3. The Parties have conducted a thorough investigation into the facts of the Action. This included conducting extensive informal discovery, which included the exchange of information and documents relating to the PAGA Representative Claims, attending mediation and subsequent negotiations. Based on the foregoing data and on their own independent investigation and evaluation, Plaintiff’s

Counsel is of the opinion that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the LWDA and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay, uncertainty associated with litigation, various defenses asserted by Defendant, and numerous potential other issues. Defendant and counsel for Defendant also agree that the settlement is fair and reasonable.

4. The Parties understand, acknowledge, and agree that this Agreement constitutes a compromise of Plaintiff's PAGA Representative Claims and that it is the desire and intention of the Parties to affect a final and complete resolution of the Action, including the PAGA Representative Claims against Defendant. The Parties further acknowledge that this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as an admission of liability by Defendant.

5. Under California Law, the State may assess and collect civil penalties from employers for violations of certain provisions of the California Labor Code. (*See* Cal. Lab. Code §§ 2698 *et seq.*) Under PAGA, however, if an "aggrieved employee" "give[s] written notice by certified mail to the [State] and the employer of the specific provision of the [Labor Code] alleged to have been violated," and the State thereafter decides not to investigate, as was the case here, or does investigate and determines that a citation against the employer should not issue, the employee may, "as an alternative" to enforcement by the State, act as a proxy or agent of the state's labor law enforcement agencies and bring a civil action under PAGA to recover civil penalties "on behalf of himself or herself and other current or former employees." *Id.* "[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the state and 25 percent to the aggrieved employees." *Id.*

6. California Labor Code § 2699(1)(2) provides that the trial court shall "review and approve any settlement of any civil action filed pursuant to this part." Plaintiff will submit this Settlement Agreement to the LWDA concurrently with the filing of Plaintiff's Motion for Approval of the PAGA Settlement.

7. In consideration of the promises and agreements contained herein, the Parties agree and covenant as follows:

C. Terms of Settlement

1. Subject to the Court's approval of the Settlement pursuant to California Labor Code § 2699(1)(2), which counsel and the Parties agree to recommend in good faith to the Court, the Parties agree to the following binding settlement of the Action.

2. The Gross Settlement Amount will be distributed in the following manner:

- a. **Settlement Administration Costs:** The costs associated with settlement administration (e.g. preparing and mailing payments to LWDA and PAGA Employees, tax documentation, etc.) shall be paid from the Gross Settlement Amount and shall not exceed \$1,729.28. The Parties agree to use ILYM Group, Inc. as the Settlement Administrator.

The Parties and their counsel represent that they do not have any involvement in the governance or work of the Settlement Administrator.

- b. **Attorneys' Fees and Costs:** The Parties agree that, subject to the Court's review and approval, Plaintiff's Counsel will be paid 33% of the Gross Settlement Amount as attorneys' fees (\$9,900.00), plus actual litigation costs not to exceed \$9,500.00 incurred in connection with work performed to litigate the Action and obtain Court approval of the Settlement, which will be paid from the Gross Settlement Amount.
- c. **Service Award to Plaintiff.** The Parties agree that, subject to the Court's review and approval, Plaintiff will be paid a service award of \$1,000.00, which will be paid from the Gross Settlement Amount.
- d. **Net PAGA Settlement Amount:** After deducting Settlement Administration Costs, Attorneys' Fees and Costs, and the Service Award from the Gross Settlement Amount, the remainder forms the Net PAGA Settlement Amount (which totals approximately \$7,870.72 if the amounts set forth above are approved by the Court). The Net PAGA Settlement Amount shall be allocated seventy-five percent (75%) to the California Labor & Workforce Development Agency ("LWDA Settlement Proceeds"), which is estimated to total approximately \$5,903.04. The remaining twenty-five percent (25%) of the Net PAGA Settlement Amount, which is estimated to total approximately \$1,967.68 shall be paid to the PAGA Employees on a *pro rata* basis ("PAGA Employees Settlement Proceeds Fund"), which shall be determined based on the number of Eligible Pay Periods that he or she worked for Defendant during the PAGA Release Period and shall be calculated as follows:

The PAGA Employees Settlement Proceeds Fund will be divided by the total number of Eligible Pay Periods worked by all PAGA Employees during the PAGA Release Period, and the resulting figure will be referred to as the "Multiplier." Each PAGA Employee's *pro rata* share of the PAGA Employees Settlement Proceeds Fund will be determined by multiplying the Eligible Pay Periods that the PAGA Employee worked by the Multiplier. That amount shall be referred to as the PAGA Employee's "Individual Share." There are approximately Twelve Eligible Pay Periods worked by the PAGA Employees during the PAGA Release Period.

- e. **Taxes and Reporting:** The PAGA Employees' Individual Share will be treated as non-wage income and reported by the Settlement Administrator on IRS Form 1099 (if applicable) to the respective PAGA Employee and applicable governmental authorities.

D. Release as to the Aggrieved Employees And PAGA Representative Claims

1. Upon the Effective Date, Plaintiff, as the representative for the State of California, and each PAGA Employee, releases the Released Parties, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action contingent or accrued for, during the time period of June 1, 2020 through the date that the Court grants approval of the settlement, arising out of the PAGA claims asserted in the Operative Complaint.

2. In accordance with *Arias v. Superior Court* (2009) 46 Cal.4th 969, 985, a judgment in “a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding,” which the Final Order shall so reflect. The Final Order shall not bind nor release the PAGA Employees of any individual wage claims (or other individual claims). However, in accordance with *Arias*, supra, the Final Order shall be binding on the PAGA Employees as to the Released Claims, including the PAGA Representative Claims. A statement to this effect shall be included in the Notice sent to the PAGA Employees.

E. Release by Named Plaintiff Only

1. Release and Covenant Not to Sue

- a. In consideration for the terms and provisions of the Agreement, Plaintiff, for herself, and for her heirs, assigns, partners, executors, conservators, administrators, agents, employees, attorneys, past and present (collectively, “Plaintiff Affiliates”), hereby fully and without limitation releases, covenants not to sue, and forever discharges Defendant, its subsidiaries, divisions, affiliated companies, affiliated partnerships, trustees, directors, officers, supervisors, shareholders, partners, agents, designees, employees, legal and equitable owners, members, associates, representatives, consultants, insurers, reinsurers, attorneys, heirs, assigns, executors, beneficiaries, and administrators, predecessors and successors, past and present, (collectively “Defendant’s Releasees”), both individually and collectively, from any and all rights, claims, contracts, agreements, debts, demands, liabilities, actions, and causes of action, whether in law or in equity, suits, damages, liabilities, losses, attorneys’ fees, costs, and expenses, of whatever nature whatsoever, known or unknown, fixed or contingent, suspected or unsuspected (“Claims”), that Plaintiff or the Plaintiff Affiliates now have, or may ever have, against Defendant, or any of Defendant’s Releasees, for any matter, occurring on or before the Effective Date of this Agreement. Plaintiff represents that he is unaware of any liens pending against him at this time.
- b. Without limiting the generality of the foregoing, Plaintiff acknowledges that the foregoing general release applies to any and all claims he or the Plaintiff Affiliates now have, or may ever have, against Defendant, or any of Defendant’s Releasees, that arise out of or are in any way related to any alleged violation of any federal or state law that regulates any aspect of the employer-employee relationship, including any claims for any alleged violations of any federal or state employment discrimination, harassment, and retaliation laws, including the California Fair Employment and Housing Act (which prohibits discrimination, harassment, and retaliation based upon one’s actual or perceived ancestry, race, religion, sex, sexual orientation, gender, gender identity, gender expression, age, color, national origin, disability, medical condition, military or veteran status and marital status), the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, and the Family Medical Leave Act; as well as the Equal Pay Act; the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974, the California Business and Professions Code, the California Labor Code, and the California

wage orders; as well as any claims for any alleged violation of public policy or retaliation; any claims for wages, hours, unpaid overtime, failure to pay minimum wage, failure to pay for downtime or waiting time, failure to provide meal or rest breaks or pay one hour's wages in lieu thereof, failure to indemnify for all work related expenditures and losses, and all related statutory claims, including but not limited to, alleged violation of California Labor Code Sections 201-204, 208, 210, 215-216, 218.5, 225.5, 226, 226.3, 226.6, 226.7, 450, 500, 510, 512, 558, 1102.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2926, 2927, California Business and Professions Code Sections 17000 and 17200 et. seq., the relevant Wage Orders issued by the Industrial Welfare Commission, Civil Code sections 52 and 52.1, or any other claim for any statutory penalty that could have been asserted under California law that arise from the allegations as described, any claims concerning or related to meal and/or rest breaks, inaccurate wage statements, any other employment-related claims under any federal, state, or local law, statute, regulation, or ordinance; and any and all common-law causes of action, including breach of contract, breach of implied contract, breach of the covenant of good faith and fair dealing, fraud, misrepresentation, unfair competition, unfair business practices, false advertising, negligence, defamation, infliction of emotional distress, invasion of privacy, and wrongful termination, which arise from any and all events occurring on or before the Effective Date of this Agreement, including without limitation, all claims arising from action or inaction by Defendant, or any of Defendant's Releasees.

- c. **Promise Not to Prosecute:** Plaintiff agrees that neither she nor any of her agents or representatives shall, at any time hereafter, commence, maintain or prosecute any action, suit, proceeding, investigation, complaint, claim, grievance, or charge with any court, arbitrator, or any other body or person, whether Federal, State, contractual or otherwise, on her behalf, except in response to governmental agency or court inquiries or as compelled by legal process, against Defendant or any Defendant's Releasees, based in whole or in part upon, or arising out of or in any way connected with, any of the Released Claims. Plaintiff further agrees that neither she nor any of her agents or representatives, including any of her attorneys, shall, at any time hereafter, aid, represent, or otherwise assist others in prosecuting such action, suit, proceeding, investigation, complaint, claim, grievance, or charge on his behalf, except for the PAGA claim, and except in response to governmental agency or court inquiries or as compelled by legal process, against Defendant or the Defendant's Releasees, based in whole or in part upon, or arising out of or in any way connected with, any of the Released Claims, including, but not limited to, serving as a class representative or participating in a class action against Defendant under the California Labor Code. Plaintiff further agrees to indemnify and hold Defendant and Defendant's Releasees harmless from and against any and all claims, demands, causes of action, damages or liability of any kind, including the cost of defense and reasonable attorneys' fees arising out of or in connection with, any action, suit, proceeding, investigation, complaint, claim, grievance, or charge commenced, maintained, or prosecuted by her contrary to the terms of this Agreement.
- d. Notwithstanding the generality of the foregoing, Plaintiff also understands and agrees that she is not waiving any right or claim that cannot be waived as a matter of law, such as the right to file a charge with or participate in an investigation by a governmental

administrative agency; provided, however, that Plaintiff hereby waives any right to receive any individual monetary award resulting from such a charge or investigation, including Worker's Compensation benefits and unemployment benefits.

2. In addition to the Release of the PAGA Representative Claims, Plaintiff Sophia Ayoub agrees to release all known and unknown claims, including a release under Civil Code Section 1542. To effect a full and complete general release as described above, Plaintiff expressly waives and relinquishes all rights and benefits of section 1542 of the Civil Code of the State of California and does so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the State of California states as follows:

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

Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiff expressly acknowledges this release is intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Agreement, and Plaintiff expressly acknowledges that this Agreement contemplates the extinguishment of any such claims. Plaintiff warrants Plaintiff has read this Agreement, including this waiver of California Civil Code section 1542, and that Plaintiff has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Agreement and specifically about the waiver of section 1542, and Plaintiff warrants that Plaintiff understands this Agreement and the section 1542 waiver, and Plaintiff freely and knowingly enters into this Agreement. Plaintiff further acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff now knows or believes to be true regarding the matters released or described in this Agreement, and even so Plaintiff agrees that the release contained in this Agreement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiff expressly assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes or controversies released or described in this Agreement or with regard to any facts now unknown to Plaintiff relating thereto.

The Parties further agree that the Court shall retain jurisdiction to enforce the Settlement Agreement pursuant to Code of Civil Procedure §664.2.

Plaintiff's general release shall become effective on the Effective Date. The general release set forth in Paragraph E of this Agreement applies only to Plaintiff Sophia Ayoub and it does not apply to any PAGA Employees.

F. Settlement Approval and Implementation Procedures

1. Pursuant to California Labor Code § 2699(l)(2), or otherwise for the purposes of obtaining court approval of the Settlement, Plaintiff will file a Motion for Approval of the PAGA settlement, a separate declaration advocating that the Settlement is fair, adequate, and reasonable, and any other documents required to be submitted in support of approval of the Settlement. Defendant shall not oppose the filing of Plaintiff's Motion for Approval of the PAGA settlement and any related documents.

2. No later than thirty (30) calendar days after the Final Approval Date, Defendant will send to the Settlement Administrator a list of all PAGA Employees including each PAGA Employee's: (1) full name; (2) last known address; (3) social security number; and (4) the numbers of Eligible Pay Periods he or she worked as a non-exempt employee of Defendant in the State of California during the PAGA Release Period (the "PAGA Employees List"). This information shall be treated as and remain confidential and shall be used solely to manage the notice and payment process described herein, and it shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendant, the individual in question, or by order of the Court.

4. The Settlement Administrator will perform all settlement administration duties, including (i) performing a National Change of Address ("NCOA") search to update the addresses of the PAGA Employees, (ii) issuing the Notice and payments to the PAGA Employees, (iii) issuing any required IRS forms, and (iv) issuing payment to the LWDA and Plaintiff's Counsel subject to two (2) installment payments based upon the terms of the Settlement.

5. The Settlement Administrator shall make distribution upon receipt of all of the installment payments as follows: 1) issue Notice and payment of the 25% payments to the PAGA Employees along with required IRS forms; 2) issue 75% payment to the LWDA for PAGA penalties; 3) issue Court approved Attorney's Fees and Costs to the Law Office of RK Legal, PC and Hamoui Law; 4) issue the Court approved service award to Plaintiff, Sophia Ayoub; and 5) issue payment of the capped settlement administrator costs to ILYM Group, Inc. in the amount of \$1,729.28, no later than fourteen (14) calendar days after it receives the second installment.

6. PAGA Employees shall have one hundred and twenty (120) calendar days after the mailing to cash their settlement checks. If any PAGA Employee's check is not cashed within that period, the check will be voided and a stop-payment will be issued. Any funds in the Settlement Administrator's account as a result of a failure to timely cash a settlement check shall be paid Legal Aid at Work, a nonprofit organization which, among other things, operates Workers' Rights Clinics at sites across California. The Parties represent that they do not have an interest in the governance or work of Legal Aid at Work. Should a conflict of interest or other issue lead to the disapproval of Legal Aid at Work as a *cy pres* recipient, the Parties will meet and confer as to a suitable replacement *cy pres* recipient. Neither Defendant, Defendant's Counsel, Plaintiff's Counsel nor Plaintiff will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, unauthorized negotiation of settlement checks or failure to timely cash a settlement check within the 120 day period.

7. Upon the Effective Date, the Parties will: (i) be bound by the terms and conditions of this Agreement, and the releases set forth therein; and (ii) be deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy of the settlement and the Court's Final Judgment and Order.

G. Miscellaneous Provisions.

1. **Voiding the Agreement:** The Settlement Agreement shall be voidable and unenforceable as to all Parties herein at the option of either Party if (a) the Court should for any reason fail to approve this Settlement in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter a judgment, or (c) the approval of the Settlement and judgment is reversed, modified or declared or rendered

void. In that event, then neither the Settlement nor any of the related negotiations or proceedings shall be of any force or effect, and all parties to the Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court. Any fees already incurred by the Settlement Administrator shall be paid by Defendant, with the exception that Plaintiff will pay for any expenses incurred by the Settlement Administrator as a result of having to create a qualified settlement account to receive the Installment Payments from Defendant. Notwithstanding the foregoing, the Parties shall attempt in good faith to cure any perceived defects in the Settlement to facilitate approval.

2. **Waiver:** The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

3. **Parties' Authority:** The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

4. **Mutual Full Cooperation:** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement 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 Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Plaintiff's Counsel shall, with the assistance and cooperation of Defendant and Defendant's counsel, take all necessary steps to secure the Court's approval of the settlement, and the Final Order.

5. **No Prior Assignments:** The Parties hereto represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights released and discharged by this Settlement Agreement.

6. **No Admission:** Defendant denies any and all liability to Plaintiff and/or the PAGA Employees in this Lawsuit, as to any and all causes of action that were asserted or that might have been asserted in this Action. Nonetheless, Defendant desires to settle and compromise the matters at issue in the Operative Complaint to avoid further substantial expense and the inconvenience and distraction of protracted and burdensome litigation. Defendant also has taken into account the uncertainty and risks inherent in litigation and, without conceding any infirmity in the defenses that it has asserted or could assert against Plaintiff, have determined that it is desirable and beneficial that Plaintiff's claims be settled in the manner and upon the terms and conditions set forth in this Agreement.

7. **Confidentiality.** The events arising under and related to all claims in the Action and the terms of the Settlement Agreement are to remain confidential by the Parties, their counsel, and aggrieved employees. The Parties, their counsel, and aggrieved employees agree to keep confidential and not disclose to any third party the terms and conditions of this Settlement Agreement, the existence of this Settlement Agreement, or any of the negotiations and discussions that preceded its making. The Parties, their counsel, and aggrieved employees agree that neither they nor their attorneys nor representatives shall reveal to anyone, other than for the purposes of satisfying liens related to the Settlement Agreement, for the purposes of a motion or action to enforce this Settlement Agreement, or as may be mutually agreed to in writing, any of the terms of this Settlement Agreement or any of the amounts, numbers, or terms and

conditions of any sums payable hereunder, except as required by law or court order. The confidentiality obligations set forth above extend to text messages, e-mails, and all other forms of digital, internet, electronic or computer communication. No party shall make or post any comment, sound, photographic or visual depiction referencing the fact of this Settlement Agreement, or its terms, on any social media site, including, but not limited to, Facebook, Twitter, Instagram, Tumblr, Snapchat, Yelp, MySpace or any other social media site. The Parties, their counsel, and aggrieved employees acknowledge that any breach of the confidentiality obligations constitute a material breach of this Settlement Agreement.

8. **Binding Settlement:** Nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement.

9. **Enforcement Actions:** Except as otherwise provided in this Settlement Agreement, in the event that one or more of the Parties to this Settlement Agreement institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions.

10. **Construction:** The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his or its counsel participated in the drafting of this Settlement Agreement.

11. **Captions and Interpretations:** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

12. **Modification:** This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

13. **Choice of Law:** This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

14. **Integration Clause:** This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written

and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

15. **Binding On Assigns:** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

16. **Counterparts:** This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic delivery shall be deemed an original.

17. **Entire Agreement:** This Agreement sets forth the entire agreement between the Parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the Parties concerning the subject matter of this Agreement. Any modification to this Agreement must be in writing and signed by Plaintiff and an authorized officer of Defendant, Fair Restoration.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Settlement Agreement and Release as of the date set forth below.

Dated: _____, 2022
07 / 01 / 2022

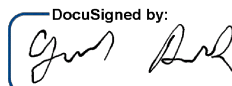
PLAINTIFF SOPHIA AYOUB



Sophia Ayoub

Dated: _____, 2022

DEFENDANT HAPPY JEWELERS

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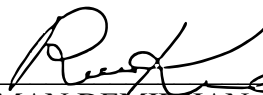
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By: _____

APPROVED AS TO FORM:

Dated: July 1, 2022

RK LEGAL, PC



ARMAN DEMIRJIAN
ROMINA KESHISHYAN

HAMOUI LAW

Rami Hamoui

Attorneys for Plaintiff Sophia Ayoub

Dated: June 24, 2022

EVERETT DOREY LLP

A handwritten signature in black ink, appearing to read 'Seymour Everett III', is written over a horizontal line.

Seymour Everett III

Samantha Dorey

Stacy Douglas

Attorney for Defendant Happy Jewelers