

PAGA SETTLEMENT AGREEMENT

This settlement agreement ("PAGA Settlement Agreement") is made and entered into between Plaintiffs Carlos Cruz and Natalio Cervantes ("Plaintiffs") acting in their capacity as private attorney generals, and Defendants Zov's Bistro, Inc., Zov's Bistro II, Inc., and Zov's Enterprises, Inc. ("Defendants") (collectively, "Parties").

I. DEFINITIONS

The following terms, when used in this PAGA Settlement Agreement, shall have the following meanings:

1. "Aggrieved Employees" means all individuals who worked for Defendants in California and who were classified as non-exempt employees at any time during the time period of September 13, 2020, until August 15, 2024. The Aggrieved Employees are estimated to consist of 587 individuals.
2. "PAGA Counsel" means the law firm of Mooradian Law, APC.
3. "Aggrieved Employee List" means the spreadsheet containing the list of Aggrieved Employees, their last know addresses, their last know telephone numbers, and the information necessary for the Settlement Administrator to prepare the Individual PAGA Payments to the Aggrieved Employees.
4. "Attorneys' Expenses" means payment to PAGA Counsel from the Gross PAGA Settlement Amount and approved by the Court for incurred attorneys' expenses and costs in connection with the PAGA Action.
5. "Attorneys' Fees" means payment to PAGA Counsel from the Gross PAGA Settlement Amount and approved by the Court in the amount not to exceed one-third of the Gross PAGA Settlement Amount of \$100,000.00 (or \$33,333.33), for recoverable attorneys' fees in connection with the PAGA Action.
6. "Court" means the Superior Court of California, County of Orange.
7. "Effective Date" means the date on which the settlement is approved and the Court's order approving the settlement ("Judgment") becomes final.
8. "Gross PAGA Settlement Amount" means the total sum of \$100,000 for payment of (i) the PAGA Payment, (ii) the Settlement Administration Expenses, (iii) Attorneys' Fees, and (iv) Attorneys' Expenses. The Gross PAGA Settlement Amount shall be all-in with no reversion to Defendants, and the filing of a claim form shall not be required for payment to the Aggrieved Employees.
9. "Individual PAGA Payment" means the amount to be paid to each of the Aggrieved Employees from the total consisting of 25% of the PAGA Payment, to be distributed

proportionately based on the number of pay periods worked by the Aggrieved Employees during the PAGA Period.

10. “Judgment” means the order approving the settlement of the PAGA Released Claims pursuant to the terms of this PAGA Settlement Agreement and judgment entered by the Court.

11. “LWDA” means the California Labor Workforce Development Agency.

12. “LWDA Payment” refers to 75% of the PAGA Payment to be paid to the LWDA.

13. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code § 2698 *et seq.*

14. “PAGA Action” means the action entitled *Carlos Cruz, Natalio Cervantes v. Zov’s Bistro Inc., Zov’s Bistro II, Inc., Zov’s Enterprises, Inc. Armen Karmaradian et al.*, Superior Court of California, County of Orange, Case No. 30-2021-01233089-CU-OE-CXC.

15. “PAGA Payment” means the total amount remaining in the Gross PAGA Settlement Amount after payment of the Attorneys’ Fees, Attorneys’ Expenses, and the Settlement Administration Expenses. The PAGA Payment shall be allocated under Labor Code section 2699 with 75% of the Section 2699 payment going to the LWDA for civil penalties and 25% to the Aggrieved Employees as their Individual PAGA Payments. The Aggrieved Employees will be issued a form 1099 for their Individual PAGA Payments. The Individual PAGA Payments to the Aggrieved Employees are considered to be civil penalties and are therefore not subject to any payroll withholdings.

16. “PAGA Period” means the time period from September 13, 2020 until August 15, 2024.

17. “PAGA Released Claims” shall mean any and all claims relating to any and all facts and claims asserted in the PAGA Action or any other claims, under PAGA, based on the facts alleged, including but not limited to any and all claims for civil penalties under the PAGA, Labor Code § 2698 *et seq.*, that are based upon or arise from the factual allegations alleged in the Complaint and/or Plaintiffs’ LWDA PAGA Notice, arising during the PAGA Period, including for: the failure to pay overtime wages, failure to pay minimum wages (including any theories related to “off the clock work,” incorrect calculation of the “regular rate of pay,” or reporting time pay), failure to pay tips, meal period violations, rest break violations, sick leave violations, failure to pay/timely pay wages, failure to indemnify for expenditures, failure to provide accurate wage statements, failure to timely pay wages owed at time of termination/separation, misclassification of employees, and failure to accommodate seating, and for violation of and/or based on California Labor Code §§ 200, 201, 202, 203, 204, 204b, 210, 226, 226.7, 233, 246, 248.2, 351, 510, 512, 558, 1182.12, 1174, 1194, 1197, 1197.1, 1198, 2802, California Business and Professions Code §§ 17200, *et seq.*, and Sections 1, 11, 12, and 14 of the IWC Wage Orders.

18. “Released Parties” means Defendants and its current, former, and future owners, parents, subsidiaries, affiliates, and all their current, former and future officers, directors, members,

managers, employees, consultants, partners, shareholders, joint venturers, agents, successors, assigns, accountants, insurers, or legal representatives.

19. “Settlement Administrator” means Phoenix Class Action Administration Solutions, or other mutually agreed upon qualified, third-party settlement administrator designated by the Parties to accept payment under the terms of this Agreement and distribute those funds in accordance with the terms of this agreement.

II. RECITALS

1. On September 13, 2021, Plaintiffs’ Counsel submitted a letter to the LWDA in compliance with California Labor Code section 2699.3. Plaintiffs seek to represent themselves and all aggrieved non-exempt employees who worked for Defendants during the PAGA Period.

2. After administrative remedies were exhausted under the procedures of the Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2698, *et seq.*, on November 21, 2021, Plaintiffs filed this wage and hour PAGA action against Defendants in the Orange County Superior Court, asserting the following underlying claims on behalf of themselves and all aggrieved employees: (1) Failure to Pay Overtime Wages; (2) Failure to Pay Minimum Wages; (3) Failure to Pay Tips; (4) Meal Period Violations; (5) Rest Break Violations; (6) Sick Leave Violations; (7) Failure to Pay/Timely Pay Wages; (8) Failure to Indemnify for Expenditures; (9) Failure to Provide Accurate Wage Statements; (10) Failure to Timely Pay Wages Owed at Time of Termination/Separation; (11) Misclassification of Employees; (12) Failure to Provide Employment Records; (13) Failure to Accommodate Seating; (14) Violation of Labor Laws Giving Rise to an Action Under the PAGA.

3. On August 15, 2024, the Parties engaged in a mediation session before mediator Hon. Zaven Sinanian (Ret.). Through arms-length negotiations, the Parties represented by their respective counsel, recognized the substantial risk of an adverse result in the PAGA Action and reached an agreement to settle the PAGA Action which led to the signing of a Memorandum of Understanding.

4. Counsel for all Parties have thoroughly investigated the facts relating to the claims alleged in the operative complaint and have made a thorough study of the legal principles applicable to the claims asserted against Defendants. Based on their investigation and evaluation of this case, PAGA Counsel has concluded that the settlement is fair, reasonable, and adequate in light of all known facts and circumstances, the defenses asserted by Defendants, potential adverse findings regarding liability, and numerous potential appellate issues.

5. Defendants deny, and continue to deny, each and every claim and contention alleged in the PAGA Action and have always maintained that they have never engaged in any unlawful acts regarding any of the matters alleged in the Action.

6. As a result of the settlement, the Parties have agreed to fully and finally resolve the PAGA Released Claims as to Plaintiffs and the Aggrieved Employees as alleged in the PAGA Action pursuant to this PAGA Settlement Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and conditions set forth, the Parties agree as follows:

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this PAGA Settlement Agreement shall be construed to be an admission by Plaintiffs that their claims do not have merit or by Defendants of any liability or wrongdoing as to Plaintiffs, the Aggrieved Employees, or any other person, and Defendants specifically disclaims any such liability or wrongdoing. The Parties have entered into this PAGA Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This PAGA Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

Neither this PAGA Settlement Agreement nor any of its terms shall be offered or used as evidence by any of the Parties, or their respective counsel in the PAGA Action or in any other action or proceeding; provided, however, this shall not prevent this PAGA Settlement Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this PAGA Settlement Agreement.

2. **Timing.** Within ninety (90) days after the Effective Date of this settlement, or as otherwise directed by the Court, Defendants shall deposit the Gross PAGA Settlement Amount into an interest-bearing escrow account with the Settlement Administrator. Within fourteen (14) days after the Effective Date of this settlement, Defendants shall provide the Aggrieved Employee List to the Settlement Administrator.

3. **PAGA Demographics.** Defendants have represented that the Aggrieved Employees consist of approximately 587 employees who worked approximately 14,537 pay periods during the PAGA Period.

4. **Payments From the Gross PAGA Settlement Amount.** The Parties agree to the following allocations to be paid from the Gross PAGA Settlement Amount:

a. **PAGA Payment:** The PAGA Payment is the total of the Gross PAGA Settlement Amount, less the payments for the Attorneys' Fees, Attorneys' Expenses and the Settlement Administration Expenses, which shall be paid in full settlement of the PAGA Released Claims. The PAGA Payment will be subject to Court approval consistent with Labor Code § 2699. Upon approval, the PAGA Payment shall be distributed as follows:

- (1) One Hundred Percent (100%) of the PAGA Payment shall be paid as a Labor Code section 2699 payment, with 75% of this amount being paid to the LWDA and 25% being paid to the Aggrieved Employees as their Individual PAGA Payments. Each Individual PAGA Payment shall be based

on the number of pay periods each Aggrieved Employee worked during the PAGA Period as a percentage of the total pay periods worked by all Aggrieved Employees during the PAGA Period. This amount shall constitute resolution of all remedies available under Labor Code section 2699 and preclude pursuit by Aggrieved Employees of any PAGA Released Claims.

- (2) The settlement payments set forth in section 4(a)(1) will be reported on IRS Form 1099s. The Parties acknowledge and agree that all payments under this PAGA Settlement Agreement as Individual PAGA Payments are attributable as civil penalties. None are attributable as wages. Accordingly, the parties acknowledge and agree that Defendants are not responsible for any employer-side taxes in connection with any Individual PAGA Payments under this PAGA Settlement Agreement.

b. **Attorneys' Fees and Attorneys' Expenses:** Subject to the Court's approval, one-third of the Gross PAGA Settlement Amount of \$100,000.00, which is presently \$33,333.33, shall be paid to PAGA Counsel for payment of Attorney's Fees, and up to \$18,000 shall be paid to PAGA Counsel for payment of Attorneys' Expenses as set forth in the client's billing statement (pursuant to Declarations by PAGA Counsel) incurred in prosecuting the PAGA claims. Defendants shall not oppose Plaintiffs' request for Attorneys' Fees and Attorneys' Expenses in these amounts, provided that those amounts are expenses actually incurred in connection with the PAGA Action. In the event that Court reduces the amount of Attorneys' Fees or Attorneys' Expenses, the unawarded difference will be added to the PAGA Payment and not to PAGA Counsel or the Defendants. This payment will be reported on IRS Form 1099. PAGA counsel will be responsible for submitting all documents to support their request for Attorney's Fees and reimbursement of Attorneys' Expenses. The Attorney's Fees and Attorneys' Expenses for approval by the Court shall encompass all work performed, and costs and expenses, related to the investigation, prosecution, and settlement of the PAGA Action incurred through dismissal of the PAGA Action with prejudice. In the event that the court does not approve of the requested Attorney's Fees and Attorneys' Expenses, or the Court alters the payment methodology described herein, PAGA Counsel agrees not to seek additional review of the amount approved by the Court, and this Settlement will be enforceable. Except as set forth herein, each party shall bear their own costs and fees of this PAGA Action.

c. **Settlement Administration Expenses:** Settlement Administration Expenses shall include the cost of the Settlement Administrator selected by the Parties to administer the settlement in the amount not to exceed \$8,000 ("Settlement Administration Expenses"), subject to Court's approval. The Parties agree that the Settlement Administration Expenses shall be paid from the Gross PAGA Settlement Amount. This includes all fees and costs for postage, envelopes, and computer searches to locate addresses; and expenses of the Settlement administrator to implement and complete the settlement process according to the terms of this PAGA Settlement Agreement, to calculate payments to individual Aggrieved Employees,

any cost associated with the escheatment process for any uncashed or undeliverable settlement checks, to prepare any necessary tax documents for Aggrieved Employees and any other related fees and costs. In the event that the Settlement Administration Expenses of less than \$8,000 is approved, or if the actual cost to administer the settlement is less than \$8,000, the difference will be added to the PAGA Payment.

d. **Representative PAGA Release.** Upon the date of entry of an order by the Court in this PAGA Action approving this PAGA Settlement Agreement, the LWDA and the Aggrieved Employees, including Plaintiffs, fully release and forever discharge Released Parties from any and all PAGA Released Claims. As a result of this release, the Aggrieved Employees will be unable to bring a claim under, or recover in any other claim brought under, the California Private Attorneys General Act, California Labor Code §§ 2698 *et seq.*, for any violations of the PAGA Released Claims that took place during the PAGA Period. **In no event shall the PAGA Released Claims in this PAGA Settlement Agreement release any claim that is not a PAGA Claim.**

e. In addition to the Gross PAGA Settlement Amount, in exchange for a general release of any and all claims related to their employment other than those that cannot be released as a matter of law, Defendants have agreed to separately settle the Plaintiffs' individual claims for \$27,000.00 to Natalio Cervantes and \$48,000.00 to Carlos Cruz. The award is in addition to the Plaintiffs' share of the Gross PAGA Settlement Amount. However, Plaintiffs shall not receive any service award or representative enhancement as part of the PAGA payment.

5. **Covenants and Representations by Plaintiffs and PAGA Counsel.**

a. Plaintiffs represent and warrant that they have not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this PAGA Settlement Agreement. Plaintiffs also represent and warrant that there are no liens or encumbrances on the Gross PAGA Settlement Amount.

b. Plaintiffs acknowledge that they have read this PAGA Settlement Agreement, that they fully understand their rights, privileges and duties under the PAGA Settlement Agreement, and enter into this PAGA Settlement Agreement freely and voluntarily. Plaintiffs further acknowledge that they have had the opportunity to consult with their attorneys to explain the terms of this PAGA Settlement Agreement and the consequences of signing this PAGA Settlement Agreement.

c. Plaintiffs further agree to seek a Judgment in the PAGA Action on the PAGA Released Claims.

6. **No Publicity.** Plaintiffs and PAGA Counsel shall not publicize the settlement on their websites, in advertising/marketing materials or on social media, other than filing documents with the Court. The Parties and their counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount, or terms of the settlement. If counsel for any party receives an inquiry about the settlement from the media, counsel may respond only

after the Motion has been filed and only by confirming the accurate terms of the settlement. Nothing in this provision shall prevent Defendants from making any required disclosure.

7. **Court Approval of the PAGA Payment.** Subject to Defendants' review and approval prior to filing, PAGA Counsel shall be responsible for preparing and filing the Motion with the proposed Judgment. PAGA Counsel will provide Defendants' counsel with an opportunity to propose revisions to that Motion before it is filed. This Motion shall also be served on the LWDA when filed with the Court.

8. **Court Approval of the PAGA Settlement.** The PAGA Settlement Agreement is contingent upon the approval by the Court. A failure of the Court to approve any material condition of this PAGA Settlement Agreement shall render the entire PAGA Settlement Agreement voidable and unenforceable as to Plaintiffs and Defendants. However, if the Court does not approve the PAGA Settlement Agreement, the Parties shall request leave to work jointly to attempt to modify the PAGA Settlement Agreement in order to obtain the Court's approval. Each party may exercise its option to void this PAGA Settlement Agreement as provided above by giving notice, in writing, to the other parties, and to the Court, within five (5) days after the Order granting approval of the PAGA Settlement Agreement has been received by the party seeking to void the PAGA Settlement Agreement.

9. **Escalation of Gross PAGA Settlement Amount.** Defendants estimate the Aggrieved Employees represents approximately 14,537 pay periods as of August 15, 2024 and this estimate serves as the basis for Plaintiffs accepting the settlement. Should the number of pay periods increase by more than 10%, the payout will increase proportionately over the 10% grace (i.e., meaning if pay periods increase by 11% the settlement will increase by 1%). However, if the escalator clause is triggered, Defendants may alternatively choose to end the PAGA Period on the date that the increase would otherwise be triggered.

IV. ADMINISTRATION OF SETTLEMENT

1. After the execution of this PAGA Settlement Agreement, Plaintiffs shall file the Motion and will submit the Motion and this PAGA Settlement Agreement to the LWDA consistent with Labor Code § 2699(1)(2).

2. The Settlement Administrator will administer the settlement and shall be paid for Settlement Administration Expenses, which are estimated to not exceed \$8,000. Defendants will provide the Aggrieved Employee List to the Settlement Administrator within 30 days of the Effective Date. The contact information of Aggrieved Employees is being provided confidentially to the Settlement Administrator only, and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the confidentiality of contact information of Aggrieved Employees. This information is to be used only to carry out the Settlement Administrator's duties as specified in this PAGA Settlement Agreement.

3. Within fourteen (14) days after receipt of the Gross PAGA Settlement Amount from Defendants, the Settlement Administrator will issue to each Aggrieved Employee a check for their Individual PAGA Payment at their last known home address along with an explanatory letter

which will be mutually approved by the parties. Checks will remain negotiable for one hundred eighty (180) days. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address based on the National Change of Address Database for information to update and correct for any known or identifiable address changes, including, but are not limited to, using a skip-trace or other search using the name, address or Social Security number of the Aggrieved Employee involved and will then perform a single re-mailing. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than 180 days after issuance shall be distributed to the California State Controller Unclaimed Property Fund within thirty (30) calendar days of their expiration, to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, for the benefit of those members of the Aggrieved Employees who did not cash their checks, until such time that they claim their property. If requested by the Court, PAGA Counsel and Defendants' Counsel shall report to the Court the total value of checks cashed by the Aggrieved Employees (and the total amount that was uncashed by the Aggrieved Employees) at a date set by the Court after the close of the 180-day period.

4. The Settlement Administrator will mail the notice attached hereto as **Exhibit A** together with the Individual PAGA Payment to the Aggrieved Employees at their last known address, together with their Settlement Payments.

5. Within fourteen (14) days after receipt of the Gross PAGA Settlement Amount from Defendants, the Settlement Administrator will pay the Attorneys' Fees, the Attorneys' Expenses, and the portion of the PAGA Payment allocated to the LWDA from the Gross PAGA Settlement Amount. Within fourteen (14) days after receipt of the Gross PAGA Settlement Amount the Settlement Administrator will pay itself the Settlement Administration Expenses.

6. The Settlement Administrator shall not disburse any settlement funds except as provided herein, as ordered by the Court, or as agreed upon, in writing by the Parties. Subject to further orders and/or directions as may be made by the Court, the Settlement Administrator is authorized to execute such transactions on behalf of the Aggrieved Employees as are consistent with the terms of this PAGA Settlement Agreement.

7. No later than January 31 of the year following payment of their individual portion of the PAGA Payment, the Settlement Administrator will prepare and issue IRS Form 1099 to Aggrieved Employees who received a payment.

8. The Settlement Administrator will provide an accounting under oath to the parties of the amounts paid out.

9. Defendants make no representations or warranties with respect to tax consequences of any payment under this PAGA Settlement Agreement. Aggrieved Employees, PAGA Counsel, and Settlement Administrator shall be solely and legally responsible for paying all applicable taxes on their respective share of the payment from the Gross PAGA Settlement Amount. Aggrieved Employees release any and all claims that they may have against Defendants for any claims,

demands, deficiencies, levies, assessments, executions, judgments, penalties, taxes, indemnification, and any other recoveries related to any payments made under this PAGA Settlement Agreement or any compensation provided at any time by Defendants or any of the Released Parties. If an Aggrieved Employee has questions about any liability to any state or federal taxing authority, they should contact the Settlement administrator. Aggrieved Employees should not contact Defendants, any of the Released Parties, or Defendants' Counsel.

10. Each party to this PAGA Settlement Agreement acknowledges and agrees that (1) no provision of this PAGA Settlement Agreement, and no written communication or disclosure between or among the parties or their attorneys and other advisers, 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 United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) each party to this PAGA Settlement Agreement (a) has relied exclusively upon his, her or its own, independent legal and tax advisers for advice (including tax advice) in connection with this PAGA Settlement Agreement, (b) has not entered into this PAGA Settlement Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the party; and (3) no attorney or adviser to any other 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 Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by the PAGA Settlement Agreement.

V. MISCELLANEOUS PROVISIONS

1. Drafting. The Parties agree that the terms and conditions of this PAGA Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties taking into account all relevant factors, present and potential, and that neither Party shall be considered the "drafter" of this PAGA Settlement Agreement for purposes of having terms construed against that Party. The parties agree that none of the documents provided to them by Defendants shall be sued for any purpose other than the settlement of this PAGA Action. Specifically, none of the documents provided shall be used to pursue any subsequent claims or litigations against Defendants or the Released Parties.

2. No Impact on Benefit Plans. Neither the PAGA Settlement Agreement nor any amounts paid to Plaintiffs or any Aggrieved Employee under the PAGA Settlement Agreement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendants' sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this PAGA Settlement Agreement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Defendants' benefit plans, policy, or bonus program. Defendants retain the right, if necessary, to modify the language of its benefit plans, policies and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this PAGA Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans,

policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this PAGA Settlement Agreement.

3. Successors. This PAGA 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.

4. Costs and Fees. The Parties shall each bear their own costs, attorneys' fees, mediator fees, and other fees incurred in connection with this PAGA Settlement Agreement and in connection with the PAGA Action and Plaintiffs' claims, except as otherwise set forth specifically herein.

5. Authority. Defendants represent and warrant that the undersigned has the authority to act on behalf of Defendants and to bind Defendants to the terms of this PAGA Settlement Agreement. Plaintiffs represent and warrant that they have the capacity to act on their own behalf and on behalf of all who might claim through them to bind them to the terms and conditions of this PAGA Settlement Agreement.

6. Governing Law. This PAGA Settlement Agreement shall be construed under and governed by the laws of the State of California. This PAGA Settlement Agreement shall be deemed to have been entered into in Orange County California and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the parties to this PAGA Settlement Agreement shall be governed by California law. If any legal or equitable action or arbitration is necessary to enforce the terms of this PAGA Settlement Agreement, it shall be brought in the State of California, County of Orange.

7. Complete Agreement. The Parties acknowledge and represent that this PAGA Settlement Agreement and any attached exhibits contain the entire understanding between them with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings between them, written and oral, with respect to the subject matter hereof. This PAGA Settlement Agreement cannot be amended or modified except by a writing signed by the Parties hereto or their successors-in-interest. This Settlement Agreement supersedes the Memorandum of Understanding previously signed by the Parties. No oral or written representations, warranties or inducements have been made to any party concerning this PAGA Settlement Agreement or its exhibits other than the representations, warranties and covenants contained and memorialized in such documents.

8. Judgment and Continued Jurisdiction. After approval of this settlement, the Court will have continuing jurisdiction pursuant to California Code of Civil Procedure section 664.6 solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this PAGA Settlement Agreement. The Parties expressly consent to said jurisdiction of the Court.

9. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant

and represent they are expressly authorized by the Parties whom they represent to negotiate this PAGA Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this PAGA Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this PAGA Settlement Agreement. The Parties and their Counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement of the PAGA Action. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement of the PAGA Action, or on any supplemental provisions that may become necessary to effectuate the terms of this PAGA Settlement Agreement, the Parties may seek the assistance of the mediator to resolve such disagreement.

10. Execution and Counterparts. This PAGA Settlement Agreement is subject only to the execution of all Parties. However, the PAGA Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including electronic, facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

11. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this PAGA Settlement Agreement is a fair, adequate, and reasonable settlement of the PAGA Action and have arrived at this PAGA Settlement Agreement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this PAGA Settlement Agreement.

12. Invalidity of Any Provision. Before declaring any provision of this PAGA Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this PAGA Settlement Agreement valid and enforceable.

13. Waiver. No rights under this PAGA Settlement Agreement may be waived except in writing. No waiver of any condition or covenant contained in this PAGA Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

14. Severability. If any term or provision of this PAGA Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this PAGA Settlement Agreement will continue to be valid and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the parties, as determined from the face of the PAGA Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

15. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this PAGA Settlement Agreement. Accordingly, this PAGA Settlement Agreement will not be construed more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the

arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this PAGA Settlement Agreement.

16. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this PAGA Settlement Agreement, and that this PAGA Settlement Agreement has been executed with the consent and advice of counsel and reviewed in full.

17. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this PAGA Settlement Agreement and receive approval from the Court.

18. Submission to the LWDA. Within 10 days after entry of a Judgement or Order approving, denying, or modifying the award of civil penalties contemplated by this settlement, Plaintiffs shall submit a copy of the Judgement or Order to the LWDA pursuant to Labor Code § 2699(I)(3).

19. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this PAGA Settlement Agreement, and further intend that this PAGA Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

20. Continuing Jurisdiction. The Court shall retain continuing jurisdiction over this case to ensure the continuing implementation of the provisions of this settlement agreement under CCP Section 664.6 to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this action to trial under CCP Section 583.310 shall be extended from the date of the signing of this agreement by all parties until the entry of the final approval order and judgment or if not entered the date this agreement shall no longer be of any force or effect.

21. Disputes. Any dispute between the parties as to the remaining terms of the settlement agreement shall be presented to the mediator for resolution.

22. Waiver of Right to Appeal. Provided that the Judgment is consistent with the terms and conditions of the PAGA Settlement Agreement, Plaintiffs and Defendants hereby waive any and all rights to appeal in connection with any issue in the Judgment, including, but not limited to, all rights to any post-judgment proceeding and/or appellate proceeding, such as a motion to vacate or set-aside judgment, a motion for new trial, and any extraordinary writ, and the Judgment will become final and non-appealable at the time it is entered.

23. Stay of Litigation. The Parties agree that the continuing litigation of the PAGA Action shall be stayed and that the time to bring the PAGA Action to trial shall be extended pending the outcome of the settlement process.

[Signature Page Follows]

IN WITNESS THEREOF, the Parties each acknowledge that they/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this PAGA Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

PLAINTIFF:

Dated: _____

NATALIO CERVANTES

PLAINTIFF:

Dated: _____

CARLOS CRUZ

DEFENDANTS:

Dated: 12/19/2024

ZOV'S BISTRO, INC., ZOV'S BISTRO II,
INC., ZOV'S ENTERPRISES INC.

By: 

DEFENDANT:

Dated: 12/19/2024


ARMEN KARAMARDIAN

IN WITNESS THEREOF, the Parties each acknowledge that they/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this PAGA Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

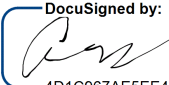
PLAINTIFF:

Dated: _____

NATALIO CERVANTES

PLAINTIFF:

Dated: 12/13/2024

DocuSigned by:

4D4C067AE6EE47D...

CARLOS CRUZ

DEFENDANTS:

Dated: _____

ZOV'S BISTRO, INC., ZOV'S BISTRO II,
INC., ZOV'S ENTERPRISES INC.

By: _____

DEFENDANT:

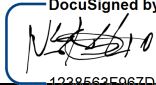
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PLAINTIFF:

Dated: 12/13/2024

DocuSigned by:

1238562F067D43B...

NATALIO CERVANTES

PLAINTIFF:

Dated: _____

CARLOS CRUZ

DEFENDANTS:

Dated: _____

ZOV'S BISTRO, INC., ZOV'S BISTRO II,
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ARMEN KARAMARDIAN