

MEMORANDUM OF UNDERSTANDING
RE: PAGA REPRESENTATIVE ACTION SETTLEMENT
Elva Flores, et al. v Rancho Valencia Resort Partners, LLC., et al.
San Diego County Superior Court – Case No. 37-2022-00006752-CU-OE-CTL

1. **Gross Settlement Amount (“GSA”)**: \$800,000.00, to be paid no later than 30 days after court approval.
2. **Net Settlement Amount (“NSA”)**: Attorneys’ fees and costs, general release fee to Plaintiff (if any), and settlement administration costs will be deducted from the GSA to calculate the Net Settlement Amount (NSA) to be distributed to the State of California and the Aggrieved Employees.
3. **No Reversion, No Claims**: There will be no reversion to Defendant and no claims process for Aggrieved Employees to receive payment.
4. **Releases**: All Aggrieved Employees (defined below) and the State of California will be bound by a release of all PAGA claims alleged or which could have been alleged based on the facts alleged in Plaintiff’s December 8, 2021 letter to the California Labor & Workforce Development Agency (“LWDA”) and the operative complaint, which arose during the PAGA Period. Plaintiff Flores also shall execute a general release in favor of Defendant, including a waiver of Cal. Civil Code § 1542.
5. **Aggrieved Employees**: The Aggrieved Employees will consist of all non-exempt employees employed by Defendant in California at any time from December 8, 2020 through October 8, 2025 (the “PAGA Period”).
6. **Payment to LWDA and PAGA Aggrieved Employees**: The parties allocate the entire NSA to settlement of PAGA claims, 75% of which shall be paid to the California Labor & Workforce Development Agency (“LWDA”) and 25% of which shall be distributed to all aggrieved employees. The Aggrieved Employees’ settlement shares will be calculated pro rata based on the pay periods worked by each such employee during the PAGA Period. No portion of the payments to the LWDA or to any aggrieved employee will be classified as wages or subject to W2 reporting/treatment.
7. **General Release Fee to Named Plaintiff**: Non-opposition to request for a general release fee of \$10,000.00 for Plaintiff Flores. Any portion of the individual settlement payment to Plaintiff not approved by the court will revert to the NSA to be distributed to the Aggrieved Employees and the State of California.
8. **Uncashed or Returned Checks**: Funds from uncashed or returned checks will be distributed to the State Controller Unclaimed Property Fund.
9. **Settlement Administration Costs**: The Parties will meet and confer to jointly select a settlement administrator and will secure “not to exceed” bids to facilitate the same, which the Parties agree shall be paid from the GSA.

10. **Attorney's Fees:** Non-opposition to request for attorney's fees of up to one third (1/3) of the GSA. Any portion of the fee allocation not approved by the court will revert to the NSA for distribution to the Aggrieved Employees and the State of California.

11. **Costs:** Non-opposition to request for reimbursement for Plaintiffs' litigation costs, in an amount not to exceed \$11,000.00, which will be paid from the GSA. Any portion of this cost allocation not approved by the Court will revert to the NSA for distribution to Aggrieved Employees and the State of California.

12. **Pro Rata Increase:** If the number of PAGA Pay Periods exceeds 36,000 by more than 10%, the GSA will increase proportionately to the amount exceeding 10%.

13. **Amend LWDA Letter & Complaint:** Plaintiff will amend his LWDA Letter and operative complaint to include all factual allegations and labor sections cited in the top-filed LWDA letter dated June 11, 2025—*Megan Dremine v. Rancho Valenica Resort Partners, LLC, RVR Rancho Valenica Holdings, LLC, Jeffrey Essakow, and individual; Doug Carson, an individual.*

14. **Drafting of Long-Form Settlement Agreement:** Defendant's counsel shall prepare a long-form settlement agreement and share such draft with Plaintiff's counsel within 28 days of the execution of this MOU. Plaintiff's counsel shall be responsible for moving the Court for approval of the long-form settlement agreement.

Dated: August __, 2025

ELVA FLORES

Dated: August __, 2025

Rancho Valencia Resort Partners, LLC
RVR Ranch Valenica Holdings, LLC

By: Milan Drager