

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Sophath Nhem (“Plaintiff”) and Defendant Positive Pizza People, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s representative PAGA lawsuit alleging wage and hour violations against Defendant captioned *Sophath Nhem v. Positive Pizza People, Inc.*, initiated on January 26, 2022, and pending in the Superior Court of the State of California, County of San Joaquin (Case No. CV-UOE-2022-0000557).
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Aggrieved Employee” means all hourly-paid, non-exempt employees of Defendant who worked for Defendant in California during the PAGA Period.
- 1.5. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.6. “Aggrieved Employee Data” means Aggrieved Employees’ identifying information in Defendant’s possession, including the Aggrieved Employees’ name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.7. “Approval Order” means the proposed Court Order Granting Approval of this PAGA Settlement Agreement.
- 1.8. “Court” means the Superior Court of California, County of San Joaquin.
- 1.9. “Defendant” means Positive Pizza People, Inc., the named defendant in the Action.
- 1.10. “Defense Counsel” means Krogh & Decker, LLP.
- 1.11. “Effective Date” means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Approval Order, and (b) the Judgment is final. The Judgment is final as of the day the Court enters Judgment.
- 1.12. “Gross Settlement Amount” means two hundred seventeen thousand five hundred dollars and no cents (\$217,500.00), which is the maximum total amount Defendant agrees to pay

under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be paid by Defendant in full satisfaction of all PAGA claims arising in the Action, including but not limited to amounts used to pay the Individual PAGA Payments; the LWDA PAGA Payment; the PAGA Counsel Fees Payment; the PAGA Counsel Litigation Expenses Payment; and the Administrator's Expenses Payment.

- 1.13. "Individual PAGA Payment" means an Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.14. "Judgment" means the judgment entered by the Court based upon the Approval Order.
- 1.15. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to 75% of the PAGA Penalties recovered by Aggrieved Employees under Labor Code Section 2699, subd. (i).
- 1.16. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code Section 2699, subd. (i).
- 1.17. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the PAGA Counsel Fees Payment; the PAGA Counsel Litigation Expenses Payment; the Enhancement Payment to Plaintiff; and the Administrator's Expenses Payment. The entire Net Settlement Amount will be allocated as PAGA Penalties.
- 1.18. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*). All references to provisions under this statute as contained in this Agreement are provisions that were in effect prior to the amendment by Stats. 2024, Ch. 44, Sec. 1. (AB 2288).
- 1.19. "PAGA Counsel" means Moon Law Group, P.C., the attorneys representing Plaintiff in the Action.
- 1.20. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.
- 1.21. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.22. "PAGA Period" means the period from January 22, 2021 to November 5, 2024 or the date the Court approves the settlement, whichever is earlier.
- 1.23. "PAGA Notice" means Plaintiff's January 22, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code Section 2699.3, subd. (a).
- 1.24. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to LWDA in settlement of PAGA claims.

- 1.25. “PAGA Representative Claims” means Plaintiff’s PAGA claims under California Labor Code §§ 2689, *et seq.* and 2699, *et seq.* based on alleged predicate violations of Labor Code §§ 98.6, 201, 203, 204, 210, 226, 226.3, 226.7, 227.3, 233, 234, 246, 510, 512, 558, 1174, 1174.1, 1174.5, 1194, 1197, 1197.1, and 1198, and/or any applicable Wage Order(s), including those alleged in this Action.
- 1.26. “Pay Period” means any pay period during which an Aggrieved Employee worked at least one day of the pay period and was not on vacation or a leave of absence for the entire pay period.
- 1.27. “Plaintiff” means Sophath Nhem, the named plaintiff in the Action.
- 1.28. “Released PAGA Claims” means the claims being released by Plaintiff and Aggrieved Employees as described in Paragraph 5 below.
- 1.29. “Released Parties” means Defendant and any of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.
- 1.30. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

- 2.1. On January 26, 2022, Plaintiff commenced this Action by filing a class action complaint alleging various wage and hour violations. On May 19, 2022, Plaintiff filed a First Amended Representative Action Complaint alleging a single cause of action against Defendant for civil penalties under the PAGA (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the cause of action alleged.
- 2.2. Pursuant to Labor Code Section 2699.3, subd. (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On September 6, 2024, the Parties participated in an all-day mediation presided over by Brandon McKelvey, Esq., a well-respected and experienced wage and hour mediator, which led to this Agreement to settle the Action.
- 2.4. Before mediation, Plaintiff obtained, through informal discovery, time and payroll records, Plaintiff’s personnel file, and Defendant’s policy documents, among other documents and information, to aid in the preparation of Plaintiff’s evaluation of the claims and formulation of a damages model.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$ 217,500.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount before the deadline stated in Paragraph

4 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount in the amounts specified by the Court in the Approval Order:

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third (33 1/3%) of the Gross Settlement Amount, which is currently estimated to be \$72,500.00 and a PAGA Counsel Litigation Expenses Payment of not more than \$25,000.00. Defendant will not oppose requests for Court approval of these payments provided they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel arising from any claim to any portion of any PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To Plaintiff: Enhancement Payment to Plaintiff of not more than \$7,500.00, in addition to any Individual PAGA Payment Plaintiff is entitled to as an Aggrieved Employee. Defendant will not oppose Plaintiff's request for an Enhancement Payment that does not exceed this amount. As part of the motion for approval of this Settlement, Plaintiff will seek Court approval for the Enhancement Payment. If the Court approves an Enhancement Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Enhancement Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Enhancement Payment.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$10,000.00 except for a showing of good cause and as approved by the Court. To the extent the expenses incurred by the Administrator in connection with this Settlement are less, or the Court approves an Administration Expenses Payment of less than \$10,000.00, the Administrator will allocate the remainder in the Net Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties to be paid from the remaining Gross Settlement Amount (the Net Settlement Amount), with 75% of the remaining Gross Settlement Amount allocated to the LWDA PAGA Payment and

25% allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records, as of September 6, 2024, Defendant estimates the Aggrieved Employees worked a total of 17,002 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within seven (7) days of the Effective Date of this Agreement, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if they discover that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator seven (7) days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Plaintiff's Individual Settlement Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not

cashed by the void date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database. Each check for the Individual PAGA Payments shall be accompanied by a letter giving notice of the Settlement to the Aggrieved Employees, substantially in the form attached to this Agreement as **Exhibit A**, with a Spanish translation.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without a USPS forwarding addresses. Within seven (7) days of receiving a returned check the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, if requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and canceled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff and Aggrieved Employees will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

- 5.2 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice (“Released PAGA Claims”). Aggrieved Employees, with the exception of Plaintiff, retain their rights to pursue claims for wages, statutory penalties, and any other damages, other than the PAGA claims being released by this Settlement.

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree to jointly prepare an application or motion for approval of this Settlement. Plaintiff’s counsel will prepare the initial draft and file it after review by Defense Counsel. The Parties will jointly seek to immediately vacate or stay all dates in the Action, pending approval by the Court of the Settlement, and will seek a date for the hearing on the motion for approval of this Settlement as soon as possible.

- 6.1 Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a draft motion or application for approval of PAGA Settlement; (iii) a signed declaration from PAGA Counsel attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code Section 2699.3, subd. (a)), Operative Complaint (Labor Code Section 2699, subd. (l)(1)), this Agreement (Labor Code Section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator.
- 6.2 Responsibilities of Counsel. PAGA Counsel are responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 45 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel are responsible for delivering the Court’s Approval Order to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. (“ILYM”) to serve as the Administrator and have verified that, as a condition of appointment, ILYM agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses Payment. The Parties, PAGA Counsel, and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number to provide reports to state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation Section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

- 8. **AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, the Aggrieved Employees have worked 17,002 Pay Periods during the PAGA Period. If the final accounting of the total PAGA Pay Periods increases the original estimate by more than 10% (i.e., more than 18,702 PAGA Pay Periods), Defendant shall either, at its sole discretion, (i) increase the Gross Settlement Amount proportionally or (ii) change the end date of the PAGA Period so that the total number of PAGA Pay Periods does not exceed 18,702. In the event Defendant elects to increase the Gross Settlement Amount, the Gross Settlement Amount shall be increased by a proportionate amount, which is calculated by multiplying the pay periods in excess of 18,702 by the Pay Period Value. The Parties agree that the “Pay Period Value” is \$12.80, which is calculated by dividing the originally agreed upon Gross Settlement Amount (\$217,500.00) by the Pay Period count of 17,002.

- 9. **CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement pursuant to CCP Section 664.6 solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing Settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10. ADDITIONAL PROVISIONS.

- 10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission

by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying this Agreement, and/or submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Parties in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel is providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California,

without regard to conflict of law principles.

- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.13 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.14 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Kane Moon
kmoon@moonlawgroup.com
Edwin Kamarzarian
ekamarzarian@moonlawgroup.com
Julie Sohyun Oh
joh@moonlawgroup.com
MOON LAW GROUP, P.C.
725 S. Figueroa Street, 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128

To Defendant:

Derek C. Decker
derekdecker@kroghdecker.com
Trevor A. White
trevorwhite@kroghdecker.com
KROGH & DECKER, LLP
555 Capitol Mall, Suite 700
Sacramento, California 95814
Telephone: (916) 498-9000

- 10.15 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email, which for purposes of this Agreement shall

be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

- 10.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement.
- 10.17 Enforcement Action. In the event either Party brings an action to enforce the terms of this Settlement, the prevailing party in such action shall be entitled to recover his/her/its reasonably attorneys' fees and costs incurred.
- 10.18 The Parties with the benefit of representation and advice of counsel, have read this Agreement and fully understand each and every provision contained in it.

Dated: _____, 2024

Plaintiff Sophath Nhem

Dated: 06/11/2024, 2024

Kelli Davis
Kelli Davis (Nov 6, 2024 08:00 PST)

Defendant Positive Pizza People, Inc.

By: Kelli Davis

Its: CEO

APPROVED AS TO FORM AND CONTENT:

MOON LAW GROUP, P.C.

Dated: _____, 2024

Kane Moon, Esq.
Edwin Kamarzarian, Esq.
Julie Sohyun Oh, Esq.
Counsel for Plaintiff Sophath Nhem

KROGH & DECKER, LLP

Dated: October 28, 2024

Trevor White

Derek C. Decker, Esq.

be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement.

10.17 Enforcement Action. In the event either Party brings an action to enforce the terms of this Settlement, the prevailing party in such action shall be entitled to recover his/her/its reasonably attorneys' fees and costs incurred.

10.18 The Parties with the benefit of representation and advice of counsel, have read this Agreement and fully understand each and every provision contained in it.

Dated: 10/29/2024

DocuSigned by:
Sophath Nhem
9A0A1D32F6124FA...

Plaintiff Sophath Nhem

Dated: _____, 2024

Defendant Positive Pizza People, Inc.

By: _____

Its: _____

APPROVED AS TO FORM AND CONTENT:

MOON LAW GROUP, P.C.

Dated: 10/29/2024

Edwin Kamarzarian

Kane Moon, Esq.
Edwin Kamarzarian, Esq.
Julie Sohyun Oh, Esq.
Counsel for Plaintiff Sophath Nhem

KROGH & DECKER, LLP

Dated: _____, 2024

Derek C. Decker, Esq.

Trevor A. White, Esq.
Counsel for Defendant Positive Pizza People, Inc.

EXHIBIT A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

NOTICE OF PAGA SETTLEMENT

Sophath Nhem v. Positive Pizza People, Inc.

Superior Court of California, County of San Joaquin, Case No. CV-UOE-2022-0000557

PLEASE READ THIS NOTICE

Enclosed is your payment from the settlement of the lawsuit entitled *Sophath Nhem v. Positive Pizza People, Inc.* (San Joaquin County Superior Court, Case No. CV-UOE-2022-0000557). The lawsuit was filed by a former employee, Sophath Nhem (“Plaintiff”), against the named defendant Positive Pizza People, Inc. (“Defendant”), pursuant to the California Private Attorneys General Act of 2004, codified at California Labor Code § 2698, *et seq.* (called “PAGA”). The lawsuit was brought on behalf of the State of California and all persons who worked for Defendant in California as a non-exempt employee at any time between January 22, 2021 to [**DATE**] (“PAGA Period”). You have been identified as one of the employees on whose behalf the lawsuit was filed.

Plaintiff alleges he and other non-exempt employees employed by Defendant in California during the PAGA Period were subjected to various Labor Code violations. Defendant denied and continues to deny all allegations and liability. However, to avoid further time and expense of protracted and uncertain litigation, Plaintiff and Defendant have agreed to settle the lawsuit for civil penalties under the Settlement.

The Court approved the Settlement on [**DATE**]. Upon the date the Court enters the Order approving the Settlement, and Defendant’s payment of all funds due under the Settlement, the Labor and Workforce Development Agency (“LWDA”) and Aggrieved Employees (as defined below), including Plaintiff, fully release and forever discharge the Released Parties (as defined below) from any and all Released Claims (as defined below).

“Aggrieved Employee” means any and all persons who worked for Defendant in California as an hourly-paid, non-exempt employee at any time between January 22, 2021 to [**DATE**].

“Released PAGA Claims” means that as part of the Settlement, you will be releasing claims for civil penalties that arose during the PAGA Period based on the facts alleged in this lawsuit or Plaintiff’s PAGA notice letter to the LWDA. Specifically, the Settlement provides: “All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice (“Released PAGA Claims”). Aggrieved Employees, with the exception of Plaintiff, retain their

rights to pursue claims for wages, statutory penalties, and any other damages, other than the PAGA claims being released by this Settlement.”

“Released Parties” are Defendant and any of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

The Gross Settlement Amount is the maximum total payment under the Settlement. The Gross Settlement Amount is \$217,500.00. This sum is comprised of PAGA Counsel attorneys’ fees of \$72,500.00; Enhancement Payment to Plaintiff of \$_____; reimbursement of PAGA Counsel’s litigation expenses in the amount of \$_____; Administration Expenses Payment of \$_____; and the remainder as PAGA Penalties. PAGA Penalties is comprised of the LWDA PAGA Payment and the Individual PAGA Payments to Aggrieved Employees. \$_____, or 75% of the PAGA Penalties, will be paid to the LWDA in accordance with the PAGA. \$_____, or 25% of the PAGA Penalties, will be paid to the Aggrieved Employees as Individual PAGA Payments, which will be calculated on a pro rata basis, based on the number of each Aggrieved Employee’s pay periods worked during the PAGA Period.

Based on Defendant’s records, you worked [NUMBER OF PAY PERIODS] pay periods during the PAGA Period. The total amount of pay periods worked by all Aggrieved Employees during the PAGA Period is [NUMBER OF PAY PERIODS].

The enclosed check represents your share based upon the number of pay periods you worked during the period from January 22, 2021 to [DATE].

An IRS 1099 Form is enclosed. You will be solely responsible for paying federal, state or local taxes, if any, on the amount of your check.

Your enclosed check is valid for 180 days from the date of its issuance. **It is strongly recommended that you cash or deposit this check immediately.** After that date, you cannot cash the check and it will be null and void and the amount forwarded to the State of California Controller’s Office Unclaimed Property Division for further handling.

Even if you fail to cash the enclosed check, you will still be deemed to have waived all claims arising from the above-entitled lawsuit as defined above under “Released Claims,” including all claims set forth in the release of claims described above.

If the check is lost or misplaced, please contact the Settlement Administrator immediately at [xxx-xxx-xxxx]. If you have any questions about your check, please contact the [insert administrator information].