

CONFIDENTIAL SETTLEMENT AGREEMENT AND MUTUAL RELEASE

I. THE PARTIES

This Settlement Agreement and Mutual Release of All Claims (“Agreement”) is made and entered into by and between DEFENDANTS MOHAJERI INC, a California Corporation, d/b/a ANTOJITOS LATINOS MARKET, CHANGIZ MOHAJERI an individual (collectively hereinafter “DEFENDANTS”), on the one hand, and MARIA CRUZ VASQUEZ (“PLAINTIFF”), on the other hand, and is effective upon execution; and

II. RECITALS

WHEREAS, on May 20, 2022, PLAINTIFF filed a putative class action lawsuit in the Superior Court of the State of California, Orange County, Case No. 30-2022-01261627 (the “Action”), for: (1) recovery of minimum wages; (2) recovery of unpaid overtime; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to furnish wage statements; (6) failure to pay all wages at time of separation; (7) failure to keep accurate and complete payroll records; and (8) violations Private Attorney General Act of 2004, CLC 2698 (“PAGA Claims”) (9) Statutory Penalties Cal lab code Section 203.

WHEREAS, after filing her Complaint against defendants parties engaged the services of a mediator, honorable Michael R. Diliberto on January 31, 2023

WHEREAS, DEFENDANTS deny and dispute any and all of PLAINTIFF’S alleged causes of action and allegations in the Action, and specifically deny any and all wrong doing.

WHEREAS, the Parties wish to avoid the expense of further proceedings and desire to resolve any and all claims alleged, or that could have been alleged;

WHEREAS, the Parties desire to settle fully and finally all claims between the PLAINTIFF, on the one hand, and DEFENDANTS on the other. The claims to be resolved include, but are in no way limited to, those made subject of PLAINTIFF’S Claims, but do not include the claims of any individual other than PLAINTIFF;

WHEREAS, PLAINTIFF has reached an agreement with the DEFENDANTS pursuant to which (i) all disputes between PLAINTIFF individually and the DEFENDANTS are fully resolved:
NOW, THEREFORE, FOR GOOD CAUSE AND VALUABLE CONSIDERATION, THE PARTIES EXPRESSLY AGREE AS FOLLOWS:

III. TERMS OF SETTLEMENT

A. PLAINTIFF and DEFENDANTS agree that in consideration of the terms of this Agreement being fully executed and effective, DEFENDANTS will pay a “Total Settlement Payment” of \$60,000.00 which, for tax purposes will be allocated as follows: (1) \$18,000 to PLAINTIFF’S Counsel, SIRMABEKIAN LAW FORM PC and which will not be subject to withholdings, and will be reported on IRS Form 1099; and (2) \$12,000.00, which will be

paid directly to PLAINTIFF, and which will be allocated 30% to wages and 70% to penalties and interest. Taxes will be withheld out of the wage portion only and reported on IRS Form W2. The non-wage portion will be reported on IRS Form 1099. (3) \$30,000 shall be allocated to PAGA Plaintiffs (from which the following shall be paid subject to Court Approval: 33.33% to PAGA Counsel, up to \$4,000 in PAGA Counsel Costs, a reasonable amount to a settlement administrator, up to \$1,000 as an enhancement award for Plaintiff, and after such fees and costs, 75% of the remainder to the LWDA, and 25% to aggrieved employees.)

B. This entire settlement agreement is subject to Court's approval of PAGA claims, and should the Court not approve the PAGA claims this entire Agreement shall be void and null.

C. Distribution of the payment described above will be made as follows:

1. PLAINTIFF will sign this Agreement and return it to DEFENDANTS' Counsel along with: (1) IRS Form W-9 executed by PLAINTIFF'S Counsel; and (2) PLAINTIFF will seek Court Approval of the PAGA Settlement which will include a Notice of the Proposed Settlement to the California Labor and Workforce Development Agency ("LWDA").

2. Once Counsel for DEFENDANTS has received each of the items specified in Section III.C.1, above, DEFENDANTS will then pay the Total Settlement Payment within 10 days. Upon receipt of the settlement amount, Counsel for PLAINTIFF will file the Request Dismissal with the Court with prejudice with respect to all claims including PAGA claims...

3. DEFENDANTS shall issue the appropriate tax reporting forms to PLAINTIFF and her attorneys for the Total Settlement Payment.

D. Dismissal of Claims. PLAINTIFF agrees to dismiss the Action with prejudice as to PLAINTIFF and PAGA claims. By signing this Agreement, PLAINTIFF authorizes her attorney to execute the forms necessary to dismiss the Action as described above, and authorizes her attorney to transmit those forms to DEFENDANTS' Counsel for filing in the Action.

E. Complete Release. In consideration and as a precondition of the payments by DEFENDANTS described in Section III.A & B, PLAINTIFF agrees to all of the remaining terms and conditions contained in this Agreement, including but not limited to the release provisions described in Section IV, below.

F. Confidentiality Obligations.

1. PLAINTIFF and PLAINTIFF'S Counsel expressly agree that as of the date they each sign this Agreement, they have not and will not hereafter act, or disclose, discuss or publish by any means (including electronic media, newspapers, periodicals, websites, etc.) any information concerning the negotiation of this Agreement or the terms of this Agreement to anyone. PLAINTIFF and PLAINTIFF'S

Counsel will not share or disclose this Agreement, or any portion of it, with anyone and will take all reasonable steps to ensure compliance with all of the terms of the confidentiality provisions described herein. This provision will not, however, prohibit any of the following:

- a. Disclosure of the fact that a settlement has been reached. In this regard, if asked, PLAINTIFF and/or PLAINTIFF'S Counsel may state only that "The matter has resolved." Nor shall there be any publication, disclosure or discussion of the settlement discussions, or the terms and conditions of the Parties' settlement or this Agreement, and in no event shall any information be provided to the media other than as provided for herein above, and then, only if asked.
- b. Disclosure, to the extent necessary, of the terms of the Agreement (including filing of the Agreement in its entirety and publicly in State Court) in any proceeding reasonably related to the enforcement of this Agreement, or in connection with obtaining approval of this settlement or any portion thereof.
- c. Disclosure of any monies paid pursuant to this Agreement to the applicable governmental tax authority, or to an attorney or accountant in a necessary, confidential and privileged communication in connection with the tax, or accounting affairs of the party.
- d. Disclosure in response to a lawfully authorized subpoena, provided DEFENDANTS has first been provided reasonable notice of the subpoena. For this purpose "reasonable notice" means sufficient time to permit DEFENDANTS to seek a protective order to obtain a court ruling reviewing whether the facts governed by this Agreement may be released pursuant to the subpoena

2. PLAINTIFF agrees that DEFENDANTS shall be entitled to equitable relief, including injunctive relief, in the event of any breach or threatened breach of Section III.E of the Agreement by PLAINTIFF and/or PLAINTIFF'S Counsel. In addition, because the damages suffered by DEFENDANTS in the event of a breach of Section III.E of the Agreement would be difficult to ascertain, the Parties agree that in the event of a breach of Section III.E of the Agreement by PLAINTIFF and/or PLAINTIFF'S Counsel, PLAINTIFF and/or PLAINTIFF'S Counsel shall be liable to DEFENDANTS for payment in the amount of \$500 as liquidated damages.

IV. RELEASE

A. **Release of Claims.** For and in consideration of the promises herein contained, PLAINTIFF hereby forever and fully releases and discharges the Released Parties (as defined in Section IV.A.5, herein) of and from any and all sums of money, accounts, claims,

interests, demands, contracts, actions, debts, controversies, agreements, damages, losses and causes of action, whatsoever, of whatever kind or nature, known or unknown, suspected or unsuspected, which she now owns, holds, has or claims to own, hold or have, and any future consequences there and all causes of actions therefore, including, *but not limited to*, any and all matters alleged or referred to in the Action or otherwise arising from PLAINTIFF'S alleged employment with DEFENDANTS.

1. Released Claims. PLAINTIFF understands and agrees that, with the exception of claims which cannot be released as a matter of law, in exchange for the promises contained in this Agreement, PLAINTIFF is releasing and will not pursue all, whether known and unknown, claims, promises, causes of action, suits, or similar rights of any type (in law or in equity) that PLAINTIFF may have ("Released Claims") with respect to any of the Released Parties identified in Section IV.A.5. PLAINTIFF understands that the Released Claims she is releasing might arise under many different laws (including statutes, regulations, other administrative guidance, and common law doctrines), such as, but not limited to, the following:

a. *Antidiscrimination statutes*, such as Title VII of the Civil Rights Act of 1964, Sections 1981 and 1983 of the Civil Rights Act of 1866, and Executive Order 11,246, which prohibit discrimination based on race, color, national origin, religion, or sex; the Equal Pay Act, which prohibits paying men and women unequal pay for equal work; the Americans with Disabilities Act and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination based on disability; the Age Discrimination in Employment Act, 29 U.S.C. § 621 *et seq.*, which prohibits discrimination based on age, and any other federal, state, or local laws prohibiting employment discrimination, such as the California Fair Employment and Housing Act, which prohibits discrimination based on race, color, national origin, ancestry, physical or mental disability, medical condition, marital status, sex, age, or sexual orientation;

b. *Federal employment statutes*, such as the Employee Retirement Income Security Act of 1974, which, among other things, protects employee benefits; the Fair Labor Standards Act of 1938, which regulates wage and hour matters; the Family and Medical Leave Act of 1993, which requires employers to provide leaves of absence under certain circumstances; and any other federal laws relating to employment, such as veterans' reemployment rights laws.

c. *Other laws*, such as federal, state, or local laws restricting an employer's right to terminate employees, or otherwise regulating employment; any federal, state, or local law enforcing express or implied employment contracts or requiring an employer to deal with employees fairly or in good faith; any other federal, state, or local laws providing recourse for alleged wrongful discharge, tort, physical or personal injury,

emotional distress, fraud, and similar or related claims, any claims related to California Labor Code sections 200 *et seq.* or otherwise concerning compensation, meal and/or rest breaks, benefits and other matters, and any claims concerning any applicable California Industrial Welfare Commission order, and any federal, state or local laws concerning employee leave rights, such as, but not limited to, the California Family Rights Act.

d. *Examples of Released Claims* include, but are not limited to: (i) claims that in any way relate to PLAINTIFF'S employment relationship with DEFENDANTS, compensation for services provided, wage/hour claims, or the termination of that employment relationship, such as claims for compensation, bonuses, commissions, or lost wages; (ii) claims that in any way relate to any of DEFENDANTS' benefit programs; (iii) claims that PLAINTIFF has irrevocable or vested rights to benefits or to post employment health or group insurance benefits; (iv) any claim, such as a benefit claim, that was explicitly or implicitly denied before PLAINTIFF signed this Agreement; (v) any whistleblower claims; or (vi) any claim to attorneys' fees, costs, or other indemnities.

e. PLAINTIFF understands and agrees that if a claim is prosecuted in her name or on her behalf individually, as a group or collectively in whole or in part, in any court or administrative agency, with respect to the Released Claims, that she waives and agrees not to take any award of money or other damages or relief from such action. PLAINTIFF also agrees that if a claim is prosecuted in her name or on her behalf individually, as a group or collectively in whole or in part, with respect to the Released Claims, that she will immediately request in writing that the claim(s) on her behalf be withdrawn.

2. Defendants' Release. Except for the obligations to be performed under this Agreement, the DEFENDANTS, and each of them, for themselves and without limitation to, their predecessors and successors in interest, heirs, parent, subsidiaries, and affiliates, and each of their agents, assigns, members, officers, directors, shareholders, attorneys, vendors, representatives, and, hereby unconditionally releases and forever discharge PLAINTIFF, including, without limitation, his/her predecessors and successors in interest, heirs, parent, subsidiaries, and affiliates, and each of his/her agents, assigns, members, officers, directors, shareholders, attorneys, representatives, and employees of and from any and all past and present charges, claims, complaints, actions, causes of action, liabilities, obligations, promises, agreements, controversies, rights, damages, debts, costs, losses, attorneys' fees, expenses and compensation of any nature whatever, whether based on a tort, contract and/or other theory of recovery, and whether for compensation of punitive or statutory damages, (1) which DEFENDANTS now have, or which may hereafter accrue or otherwise be acquired, arising out of or relating to the Action, including,

without limitation, any claims in any way relating to the Action, to PLAINTIFF'S employment by the DEFENDANTS or the separation of PLAINTIFF from employment; and/or (2) arising in any other way whatsoever prior to the date of execution of this Agreement.

3. **Unknown Claims.** the Parties understand that among their released claims are claims that they may not know about and that they voluntarily intend to include those unknown claims in the released claims, even though the Parties recognize that someday they might learn that some or all of the facts they currently believe to be true are untrue and even though they might then regret having signed this Agreement. Nevertheless, the Parties are assuming that risk and agree that this Agreement shall remain effective in all respects in any such case. The Parties expressly waive all rights they might have under any law that is intended to protect them from waiving unknown claims. The Parties understands the significance of doing so.

The Parties acknowledge that they have been advised of and are familiar with the provisions of Section 1542 of the Civil Code of the State of California, which provides 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."

Being aware of said Code section, the Parties hereby expressly waive any rights they may have thereunder, as well as under any other statutes or common law principles of similar effect.

4. **Representative PAGA Claims.** PLAINTIFF unconditionally covenants not to institute or continue any claim for civil penalties under PAGA against DEFENDANTS or any of the Released Parties.

5. **Class and Collective Claims.** The Released Claims shall include PLAINTIFF'S right to serve as a class representative in any class or collective action if PLAINTIFF would be barred from participating in any recovery in that class or collective action by virtue of the provisions of section IV.A of this Agreement.

6. **Released Parties.** The Released Parties include the following, individually or collectively: DEFENDANTS and each of their former and present parents, subsidiaries and affiliated corporations, partnerships, limited liability companies, and for each such entity, its former and present officers, directors, employees, managers, partners, shareholders, agents, spouses of Defendants, insurers, and any successors, assigns, or legal representatives of such entity.

7. **Limitations.** The releases contained in Sections IV.A do not extend to (i) enforcement of the obligations, terms and covenants of this Agreement, (ii) any claim

which arises after the date that PLAINTIFF executes this Agreement, (iii) any workers' compensation claim(s), and/or (iv) any claim which cannot be released by private agreement as a matter of law.

V. REPRESENTATIONS AND WARRANTIES

A. No Admission of Liability. This Agreement is the result of a compromise of disputed claims and shall never at any time for any purpose be considered as an admission of correctness, liability or responsibility on the part of any party.

B. Advice of Legal Counsel. The advice of legal counsel has been obtained by all of the Parties prior to the execution of this Agreement. All of the Parties hereby execute this Agreement voluntarily and with full knowledge of its significance and with the express intention of extinguishing any and all obligations and claims owed by the Parties to each other arising out of or connected with the matters specified herein.

C. Non Assignment of Claims. The Parties represent and warrant that no portion of any claim, right, demand, action, or cause of action which they have or might have arising out of the matters referred to herein, nor any portion of any recovery or settlement to which they might be entitled, has been assigned or transferred to any other person, firm or corporation not a party to this Agreement, in any manner, including by way of subrogation or operation of law or otherwise. In the event that any claim, demand, or suit should be made or instituted against any of the Parties because of any such purported assignment, subrogation, or transfer, the other party agrees to indemnify and hold harmless the party subject to such an action against such claim, suit, or demand and to pay and satisfy any such claim, suit, or demand, including necessary expenses of investigation, actual attorneys' fees and costs.

D. Adequate Investigation of Facts. In making and executing this Agreement, the Parties have made such investigation of the facts and the law pertaining to the matters described herein and this Agreement as they deem necessary, and they do not rely and have not relied upon any statement or representation, oral or written, made by any of the other parties to this Agreement with regard to any of the facts involved in any dispute or possible dispute between any of the Parties hereto, or with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement.

E. Understanding of Agreement. Each of the Parties has read and understands the contents of this Agreement.

F. Binding Upon Agents and Representatives. Each and every term of this Agreement shall be binding upon the agents, representatives, insurers, employees, attorneys, heirs, administrators, executors, successors, and assigns of the respective parties hereto and any parent, subsidiary, or affiliated entity of each of such parties.

G. Integration. This Agreement constitutes the entire agreement between PLAINTIFF, on the one hand, and DEFENDANTS, on the other hand, pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions of

their agreement. Any and all prior agreements, representations, negotiations and understandings, oral or written, express or implied, are hereby suspended and merged herein.

H. Cooperation. The Parties hereto agree to execute any and all other documents and instruments in writing which may be reasonably necessary or proper to effectuate and carry out the purposes of this Agreement.

I. Attorneys' Fees and Costs. Each Party shall bear its own costs, expenses and attorneys' fees incurred in connection with the Lawsuit and the completion of this settlement. Notwithstanding the foregoing, in the event that any of the Parties hereto should bring any action, suit or proceeding against any of the other parties hereto or PLAINTIFF'S Counsel to enforce this Agreement, the validity hereof, any of the terms or provisions hereof, or any of the matters released hereby, or should any of the Parties assert this Agreement as an affirmative defense in an action brought by a Party, the prevailing party in such action, suit or proceeding shall be entitled to recover from the other such party reasonable attorney's fees to be fixed by the court and costs incurred in connection therewith, including attorney's fees and costs relating to any and all appeals or petitions taken with respect to any such action, suit or proceeding.

J. Modifications In Writing. The Parties agree that any modifications to this Agreement must be made in writing executed by all the Parties.

K. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

L. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same written agreement. PDF, fax and electronic signatures shall be considered original.

M. Tax Obligations. PLAINTIFF and her attorney(s) hereby acknowledge and agree that they are responsible for all tax obligations, if any, including, but not limited to, all reporting and payment obligations which may arise as a consequence of this Agreement. PLAINTIFF acknowledges that she has not received any tax advice from either of DEFENDANTS, or their Counsel, and has not relied on any advice from either of DEFENDANTS, or their Counsel.

N. No Other Claims. Other than the PLAINTIFF'S claims and the Action, PLAINTIFF represents and warrants that she has never commenced or filed, and agrees and covenants never to commence, file, aid, instigate, or assist or in any way, prosecute, or cause to be commenced or prosecuted against the Released Parties any action, charge, complaint or other proceeding regarding any claim arising prior to the date of execution of this Agreement, and which relates in any way to the Released Claims, except as may be necessary to enforce the provisions of this Agreement or otherwise required by law. Neither PLAINTIFF nor PLAINTIFF'S Counsel are aware of any: (a) unalleged claims against any of the Released Parties in addition to, or different from, those which are finally and forever settled and released against the Released Parties by this Settlement; and (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against any of the Released Parties, except such facts and theories specifically alleged in the First Amended Complaint in this

Action. PLAINTIFF and PLAINTIFF'S Counsel have no current intention of asserting any other claims against any of the Released Parties in any judicial or administrative forum. PLAINTIFF and PLAINTIFF'S Counsel do not currently know of or represent any persons who have expressed any interest in pursuing litigation or seeking any recovery against any of the Released Parties. The Parties acknowledge, understand and agree that this Agreement would not have been entered into were it not for the representations in this Section V.N.

O. No Other Injuries. PLAINTIFF further represents that, aside from any payments specifically described in this Agreement, she has been compensated in full for all wages, compensation, commissions, bonuses, or other debts relating to the Released Claims to which she has ever been entitled from any of DEFENDANTS.

P. Enforcement. The Parties and their Counsel agree that if any Party or their Counsel commits a breach or threatens to commit a breach of any of the provisions and/or sections of this Agreement, the non-breaching party shall have the right and remedy to compel enforcement of this Agreement, and that the Court maintains jurisdiction to interpret and enforce the Parties' settlement and this Agreement even after dismissal of the Lawsuit.

Q. Voluntary and Knowing. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of any of the Parties hereto.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto on the dates indicated below.

Dated: January 31, 2023

By: 
Maria Cruz Vasquez

Dated: January 31, 2023

By: *Changiz Mohajeri*
Changiz Mohajeri, For Himself,
And For Mohajeri Inc, a California Corporation, d/b/a, Antojitos Latinos Market.

APPROVED AS TO FORM

Dated: January 31, 2023

By: Sarkis Sirmabekian
Sarkis Sirmabekian
Attorney For PLAINTIFF

Dated: January 31, 2023

By: Christopher K. Jafari
Christopher K. Jafari
Attorneys for DEFENDANTS