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8 JUAN MIGUEL PERALES, and all others similarly situated  
(Additional attorneys for parties on following page)

9  
10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
11 **FOR THE COUNTY OF STANISLAUS**  
12 **(UNLIMITED JURISDICTION)**

13 JUAN PERALES, on behalf of himself and as an  
"Aggrieved Employee" on behalf of other  
14 "Aggrieved Employees" under the Private  
Attorneys General Act of 2004,

15 Plaintiff,

16 v.

17 SHIPS PIZZA, INC, a California corporation;  
18 CENTRAL VALLEY PIZZA LLC, a California  
limited liability company; TEAM CENTRAL  
19 VALLEY, INC, a California corporation; GREG  
DEGRANDIS, an individual; and DOES 1-50,  
20 inclusive,

21 Defendant(s).

Case No. CV-22-004216

**PAGA SETTLEMENT AGREEMENT**

Action filed: September 19, 2022  
Dept: 24, The Honorable Sonny S.  
Sandhu

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**ADDITIONAL ATTORNEYS FOR PLAINTIFF(S)**

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1 This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Juan  
2 Miguel Perales (“Plaintiff”) and Defendants Ships Pizza, Inc., Central Valley Pizza LLC, and Team  
3 Central Valley, Inc., (collectively “Defendants”). The Agreement refers to Plaintiff and Defendants  
4 collectively as “Parties,” or individually as “Party.”

5 **1. DEFINITIONS.**

6 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against  
7 Defendants captioned “Juan Miguel Perales, on behalf of himself, and all others similarly situated,  
8 and as an ‘aggrieved employee’ on behalf of other ‘aggrieved employees’ under the Labor Code  
9 Private Attorneys General Act of 2004, *Plaintiff(s)*, vs. Ships Pizza, Inc., a California corporation,  
10 Central Valley Pizza LLC, a California limited liability company, Team Central Valley, Inc., a California  
11 corporation, and Greg DeGrandis, a natural person; and DOES 1 through 50, inclusive, *Defendant(s)*,”  
12 Case No. CV-22-004216 initiated on September 19, 2022 and pending in Superior Court of the  
13 State of California, County of Stanislaus and subsequently limited to Plaintiff’s representative,  
non-individual PAGA claim.

14 1.2. “Administrator” means Simpluris, Inc., the neutral entity the Parties have agreed  
15 to appoint to administer the Settlement.

16 1.3. “Administration Expenses Payment” means the amount the Administrator will be  
17 paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in  
18 accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection  
with approval of the Settlement.

19 1.4. “Aggrieved Employee” means a person employed by Defendants in California and  
20 classified as an hourly, non-exempt who worked for Defendants during the PAGA Period.

21 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information  
22 in Defendants’ possession including the Aggrieved Employee’s name, last-known mailing  
address, Social Security number, and number of PAGA Pay Periods.

23 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation  
24 and search for current Aggrieved Employee mailing addresses using all reasonably available  
25 sources, methods and means including, but not limited to, the National Change of Address  
26 database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

27 1.7. “Court” means the Superior Court of California, County of Stanislaus.

- 1.8. “Defense Counsel” means Lonnie D. Giamela of Fisher & Phillips LLP.
- 1.9. “Effective Date” date by when both of the following have occurred: (a) the court enters a judgment on its order granting approval of the Settlement; and (b) the judgment is final.
- 1.10. “Gross Settlement Amount” means \$280,000.00 which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment..
- 1.11. “Individual PAGA Payment” means the 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.
- 1.12. “Judgment” means the judgment entered by the Court based upon the Court’s approval of the Settlement.
- 1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.14. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.15. “PAGA Counsel” means David Glenn Spivak of The Spivak Law Firm and Walter L. Haines of United Employees Law Group, the attorneys representing the Plaintiff in the Action.
- 1.16. “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.
- 1.17. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.18. “PAGA Period” means the period from September 19, 2021 to October 09, 2024.
- 1.19. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.20. “PAGA Notice” means Plaintiff’s September 19, 2022 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.21. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$39,791.67) and the 75% to LWDA (\$119,375.00) in settlement of PAGA claims.

1.22. "Plaintiff" means Juan Miguel Perales, the named plaintiff in the Action.

1.23. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.24. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

1.25. "Released Parties" means Defendants and each of their officers, directors, employees and agents.

1.26. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.27. "Defendants" means named Defendants Ships Pizza, Inc., Central Valley Pizza LLC, and Team Central Valley, Inc.

## **2. RECITALS.**

2.1. On September 19, 2022, Plaintiff commenced this Action. On December 9, 2022, Plaintiff filed a First Amended Complaint adding Central Valley Pizza LLC, and Team Central Valley, Inc., and Greg DeGrandis as named defendants. Plaintiff also added a claim under the 2004 Labor Code Private Attorneys General Act, Labor Code §§ 2699, *et seq.* ("PAGA") against Defendant SHIPS PIZZA, INC only. On February 2, 2023, filed a Second Amended Complaint against all Defendants. On July 14, 2023, the Court granted Defendants' Motion to compel Plaintiff to arbitration and dismissed Plaintiff's class claims. The Second Amended Complaint is the operative complaint in the Action (the "Operative Complaint."). Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint and deny any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.

2.3. On July 25, 2023, the Parties participated in an all-day mediation presided over by Tripper Ortman which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, the number of comparable employees, the number of pay periods, sample time records, sample payroll records, sample schedules, written policies, and related information.

2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are not

1 aware of any other pending matter or action asserting claims that will be extinguished or affected  
2 by the Settlement.

3  
4 **3. MONETARY TERMS.**

5 3.1. Gross Settlement Amount. Defendants promise to pay \$280,000.00 and no more  
6 as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement  
7 Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will  
8 disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees  
9 to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert  
to Defendants.

10 3.2. Payments from the Gross Settlement Amount. The Administrator will make and  
11 deduct the following payments from the Gross Settlement Amount, in the amounts specified by  
the Court in the Court's Approval order:

12 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than  
13 33.33%, which is currently estimated to be \$93,333.33 and a PAGA Counsel Litigation Expenses  
14 Payment of not more than \$17,500.00. Defendants will not oppose requests for these payments  
15 provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an  
16 application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment.  
17 If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation  
18 Expenses Payment less than the amounts requested, the Administrator will allocate the remainder  
19 to the PAGA Penalties. Released Parties shall have no liability to PAGA Counsel or any other  
20 Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or  
21 PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel  
22 Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA  
23 Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees  
24 Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendants harmless,  
and indemnifies Defendants, from any dispute or controversy regarding any division or sharing  
of any of these Payments.

25 3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed  
26 \$20,000.00 except for a showing of good cause and as approved by the Court. To the extent the  
27 Administration Expenses are less or the Court approves payment less than \$20,000.00, the

1 Administrator will retain the remainder in the PAGA Penalties.

2 3.2.3. To the LWDA and Aggrieved Employees: The  
3 Administrator will calculate the PAGA Penalties by deducting the following  
4 amounts from the Gross Settlement Amount: Counsel Fees Payment, PAGA Counsel Litigation  
5 Expenses Payment, and the Administration Expenses Payment. PAGA Penalties in the amount of  
6 \$149,166.67 to be paid from the Gross Settlement Amount, with 75% (\$111,875.00) allocated to  
the LWDA PAGA Payment and 25% (\$37,291.67) allocated to the Individual PAGA Payments.

7 3.2.3.1. The Administrator will calculate each Individual PAGA Payment  
8 by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties  
9 (\$39,791.67) by the total number of PAGA Pay Periods worked by all Aggrieved Employees  
10 during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA  
11 Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on  
their Individual PAGA Payment.

#### 12 **4. SETTLEMENT FUNDING AND PAYMENTS.**

13 4.1. Aggrieved Employee Pay Periods. Based on a review of their records to date,  
14 Defendants estimate there are 1,143 Aggrieved Employees who worked a total 23,780 PAGA Pay  
15 Periods.

16 4.2. Aggrieved Employee Data. Not later than 15 days after the Court grants approval  
17 of the Settlement, Defendants will simultaneously deliver the Aggrieved Employee Data to the  
18 Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee'  
19 privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use  
20 the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and  
21 restrict access to the Aggrieved Employee Data to Administrator employees who need access to  
22 the Aggrieved Employee Data to effect and perform under this Agreement. Defendants have a  
23 continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee  
24 Data omitted employee identifying information and to provide corrected or updated Aggrieved  
25 Employee Data as soon as reasonably feasible. Without any extension of the deadline by which  
26 Defendants 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.

27 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross  
28

1 Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the  
2 Effective Date.

3 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendants  
4 fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA  
5 Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA  
6 Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment  
shall not precede disbursement of Individual PAGA Payments.

7 4.4.1. The Administrator will issue checks for the Individual PAGA Payments  
8 and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face  
9 of each check shall prominently state the date (not less than 180 days after the date of mailing)  
10 when the check will be voided. The Administrator will cancel all checks not cashed by the void  
11 date. Before mailing any checks, the Administrator must update the recipients' mailing addresses  
using the National Change of Address Database.

12 4.4.2. The Administrator must conduct a Aggrieved Employee Address Search  
13 for all other Aggrieved Employees whose checks are returned undelivered without USPS  
14 forwarding address. Within seven (7) days of receiving a returned check the Administrator must  
15 re-mail checks to the USPS forwarding address provided or to an address ascertained through the  
16 Aggrieved Employee Address Search. The Administrator need not take further steps to deliver  
17 checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The  
18 Administrator shall promptly send a replacement check to any Aggrieved Employee whose  
original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

19 4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is  
20 uncashed and cancelled after the void date, the Administrator shall transmit the funds represented  
21 by such check to the California Controller's Unclaimed Property Fund in the name of the  
22 Aggrieved Employee.

23 4.4.4. The payment of Individual PAGA Payments shall not obligate Defendants  
24 to confer any additional benefits or make any additional payments to Aggrieved Employees (such  
25 as 401(k) contributions or bonuses) beyond those specified in this Agreement.

26 **5. RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the entire  
27 Gross Settlement Amount, Plaintiff, Aggrieved Employees, and PAGA Counsel will release

1 claims against all Released Parties as follows:

2       5.1. Plaintiff's Release. Plaintiff and his respective former and present spouses,  
3 representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors,  
4 and assigns generally, release and discharge Released Parties from all claims, transactions, or  
5 occurrences that occurred during the PAGA Period, including, but not limited to: (a) all claims  
6 that were, or reasonably could have been, alleged, based on the facts contained in the Operative  
7 Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to  
8 any claims or actions to enforce this Agreement, or to any claims for vested benefits,  
9 unemployment benefits, disability benefits, social security benefits, workers' compensation  
10 benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff  
11 acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts  
12 or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's  
13 Release shall be and remain effective in all respects, notwithstanding such different or additional  
14 facts or Plaintiff's discovery of them.

15       5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For  
16 purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights,  
17 and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

22       The Parties agree that Plaintiff's Release excludes any claims covered by the separate confidential  
23 individual Settlement Agreement and Release of All Claims ("Individual Settlement Agreement")  
24 that Plaintiff and Defendants have entered into. Further, the Parties also agree that nothing in the  
25 Individual Settlement Agreement prevents Plaintiff from or waives Plaintiff's right to recover the  
26 Individual PAGA Payment that he is entitled to under this Agreement.

27       5.2. Release by Aggrieved Employees: All Aggrieved Employees are deemed to  
28 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.

1           5.3.    Release by PAGA Counsel: PAGA Counsel release on behalf of their present and  
2 former attorneys, employees, agents, successors and assigns the Released Parties from all claims  
3 for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts  
4 stated in the Operative Complaint and the PAGA Notice.

5       **6.    MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties  
6 agree to jointly prepare and file an application or motion for approval of this Settlement.

7           6.1    Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel  
8 all documents necessary for obtaining approval of this Settlement under Labor Code Section  
9 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement;  
10 (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering  
11 the Settlement and attesting to its willingness to serve; competency; operative procedures for  
12 protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data  
13 breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential  
14 conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any  
15 financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration  
16 from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary  
17 PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative  
18 Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699,  
19 subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to  
20 the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or  
21 potential conflict of interest with Aggrieved Employees and/or the Administrator. In their  
22 Declarations, Plaintiff and PAGA shall aver that they are not aware of any other pending matter  
23 or action asserting claims that will be extinguished or adversely affected by the Settlement.

24           6.2    Responsibilities of Counsel. PAGA Counsel and Defense Counsel are jointly  
25 responsible for expeditiously finalizing and filing the application or motion for approval of this  
26 Settlement no later than 30 days after the full execution of this Agreement and, if necessary,  
27 obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the  
28 motion. PAGA Counsel is 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

1 application or motion for approval of this Settlement and/or the supporting declarations and  
2 documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of  
3 the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement.  
4 If the Court does not grant the motion for approval of this Settlement or conditions its approval  
5 on any material change to this Agreement, PAGA Counsel and Defense Counsel will  
6 expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in  
7 good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

## 8 **7. SETTLEMENT ADMINISTRATION.**

9 7.1 Selection of Administrator. The Parties have jointly selected Simpluris, Inc, to  
10 serve as the Administrator and verified that, as a condition of appointment, Simpluris, Inc, agrees  
11 to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this  
12 Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel  
13 represent that they have no interest or relationship, financial or otherwise, with the Administrator  
14 other than a professional relationship arising out of prior experiences administering settlements.

15 7.2 Employer Identification Number. The Administrator shall have and use its own  
16 Employer Identification Number for purposes of calculating payroll tax withholdings and  
17 providing reports state and federal tax authorities.

18 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund  
19 that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury  
20 Regulation section 468B-1.

21 7.4 Administrator Duties. The Administrator has a duty to perform or observe all  
22 tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

23 **8. NUMBER OF AGGRIEVED EMPLOYEES.** Based on their records, Defendants  
24 estimate that, as of the date of this Settlement Agreement, there are 1,143 Aggrieved Employees  
25 who worked 23,780 Pay Periods during the PAGA Period.

26 **9. CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry  
27 of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely  
28 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.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the PAGA Penalties.

## **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 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' 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, Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendants' defenses. The Settlement, this Agreement and 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 Defendants, 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

1 terms of this Agreement including any amendments to this Agreement.

2 10.4 Cooperation. The Parties and their counsel will cooperate with each other and  
3 use their best efforts, in good faith, to implement the Settlement by, among other things,  
4 modifying the Settlement Agreement, submitting supplemental evidence and supplementing  
5 points and authorities as requested by the Court. In the event the Parties are unable to agree upon  
6 the form or content of any document necessary to implement the Settlement, or on any  
7 modification of the Agreement that may become necessary to implement the Settlement, the  
8 Parties will seek the assistance of a mediator and/or the Court for resolution.

9 10.5 No Prior Assignments. The Parties separately represent and warrant that they  
10 have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer,  
11 or encumber to any person or entity and portion of any liability, claim, demand, action, cause of  
12 action, or right released and discharged by the Party in this Settlement.

13 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendants nor Defense  
14 Counsel are providing any advice regarding taxes or taxability, nor shall anything in this  
15 Settlement be relied upon as such within the meaning of United States Treasury Department  
16 Circular 230 (31 CFR Part 10, as amended) or otherwise.

17 10.7 Modification of Agreement. This Agreement, and all parts of it, may be  
18 amended, modified, changed, or waived only by an express written instrument signed by all  
19 Parties or their representatives, and approved by the Court.

20 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and  
21 inure to the benefit of, the successors of each of the Parties.

22 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will  
23 be governed by and interpreted according to the internal laws of the state of California, without  
24 regard to conflict of law principles.

25 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and  
26 preparation of this Agreement. This Agreement will not be construed against any Party on the  
27 basis that the Party was the drafter or participated in the drafting.

28 10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders  
entered during Action and in this Agreement relating to the confidentiality of information shall  
survive the execution of this Agreement.

10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA

1 Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data  
2 provided to PAGA Counsel by Defendants in connection with the mediation, other settlement  
3 negotiations, or in connection with the Settlement, may be used only with respect to this  
4 Settlement, and no other purpose, and may not be used in any way that violates any existing  
5 contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator  
6 discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and  
7 electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the  
8 Administrator's payment of all Settlement Funds, Defendants make a written request to PAGA  
9 Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

10 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement  
11 is inserted for convenience of reference only and does not constitute a part of this Agreement.

12 10.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement  
13 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a  
14 weekend or federal legal holiday, such date or deadline shall be on the first business day  
15 thereafter.

16 10.15 Notice. All notices, demands or other communications between the Parties in  
17 connection with this Agreement will be in writing and deemed to have been duly given as of the  
18 third business day after mailing by United States mail, or the day sent by email or messenger,  
19 addressed as follows:

20 To Plaintiff:  
21 David Glenn Spivak, Esq.  
22 The Spivak Law Firm  
23 8605 Santa Monica Bl  
24 PMB 42554  
25 West Hollywood, CA 90069  
26 david@spivaklaw.com

27 To Defendants:  
28 Lonnie D. Giamela, Esq.  
Fisher & Phillips LLP  
444 South Flower Street  
Suite 1500  
Los Angeles, CA 90071  
lgiamela@fisherphillips.com

1           10.16 Execution in Counterparts. This Agreement may be executed in one or more  
2 counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this  
3 Agreement shall be accepted as an original. All executed counterparts and each of them will be  
4 deemed to be one and the same instrument if counsel for the Parties will exchange between  
5 themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove  
6 the existence and contents of this Agreement.

7           10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement  
8 the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further  
9 agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the  
10 date to bring a case to trial under CCP section 583.310 for the entire period of this settlement  
11 process.

12 Dated: January 16, 2025

By:

  
\_\_\_\_\_  
JUAN MIGUEL PERALES

15 Dated: January \_\_, 2025

By:

\_\_\_\_\_  
Greg DeGrandis for himself and for  
Defendants Ships Pizza, Inc., Central  
Valley Pizza LLC, and Team Central  
Valley, Inc.

19 THE SPIVAK LAW FIRM

21 Dated: January 17, 2025

By:

  
\_\_\_\_\_  
DAVID GLENN SPIVAK, Attorneys  
for Plaintiff, JUAN MIGUEL  
PERALES, and all others similarly  
situated

26 UNITED EMPLOYEES LAW GROUP

1           10.16 Execution in Counterparts. This Agreement may be executed in one or more  
2 counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this  
3 Agreement shall be accepted as an original. All executed counterparts and each of them will be  
4 deemed to be one and the same instrument if counsel for the Parties will exchange between  
5 themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove  
6 the existence and contents of this Agreement.

7           10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement  
8 the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further  
9 agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the  
10 date to bring a case to trial under CCP section 583.310 for the entire period of this settlement  
11 process.

12 Dated: January \_\_, 2025

By: \_\_\_\_\_

JUAN MIGUEL PERALES

15 Dated: January 20, 2025

By: \_\_\_\_\_

  
Greg DeGrandis for himself and for  
Defendants Ships Pizza, Inc., Central  
Valley Pizza LLC, and Team Central  
Valley, Inc.

19 THE SPIVAK LAW FIRM

21 Dated: January \_\_, 2025

By: \_\_\_\_\_

DAVID GLENN SPIVAK, Attorneys  
for Plaintiff, JUAN MIGUEL  
PERALES, and all others similarly  
situated

26 UNITED EMPLOYEES LAW GROUP

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Dated: January 19, 2025

By:   
WALTER L. HAINES, Attorneys for  
Plaintiff, JUAN MIGUEL PERALES,  
and all others similarly situated

FISHER & PHILLIPS LLP

Dated: January \_\_, 2025

By: \_\_\_\_\_  
LONNIE D. GIAMELA, Attorneys for  
Defendants

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Dated: January \_\_, 2025

By:

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WALTER L. HAINES, Attorneys for  
Plaintiff, JUAN MIGUEL PERALES,  
and all others similarly situated

FISHER & PHILLIPS LLP

Dated: January \_\_, 2025

By:

  
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LONNIE D. GIAMELA, Attorneys for  
Defendants

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# **EXHIBIT A**

1 **NOTICE OF PAGA SETTLEMENT**

2 *Juan Miguel Perales v. Ships Pizza, Inc*  
3 *(Superior Court of California, Stanislaus County*  
4 *Case No. CV-22-004216*

4 << Simpluris, Inc,>>

5 [ ]

6 [ ]

6 Telephone: [ ]

7 «Barcode» «BarcodeString»

8 SIMID «SIMID»

8 «FirstName»

9 «LastName»

9 «Address1» «Address2»

10 «City» «State» «Zip»

11 You are receiving this notice as a result of a lawsuit brought on a representative basis  
12 under the Private Attorneys General Act, Labor Code §§ 2698, *et seq.* (“PAGA”) (“the Action”).  
13 The plaintiff in the Action is Juan Miguel Perales (“Plaintiff”) and the defendants are Ships Pizza,  
14 Inc., Central Valley Pizza LLC, and Team Central Valley, Inc. (collectively “Defendants”). The  
15 Action seeks civil penalties for purported violations of the California Labor Code on behalf of  
16 all persons employed by Defendants in California and classified as hourly, non-exempt who  
17 worked for Defendants during the PAGA Period of September 19, 2021 through October 9, 2024.  
18 Defendants deny all claims and allegations in the Action, deny that they owe any penalties, and  
19 assert that they have fully complied with all applicable Labor Code provisions. Nevertheless, to  
20 avoid further costs and time in defending the Action, Defendants have settled the case and the  
Court has approved the settlement and release of claims. By settling the Action, Defendants are  
not admitting that they have done anything wrong. As of and subject to the occurrence of the  
Effective Date of the Settlement, the Settlement resolves 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”). The “Released Parties”  
are Defendants and each of their officers, directors, employees and agents.

21 By Order dated <<court approval order date>>, the Superior Court of the State of  
22 California, Stanislaus County approved the Settlement of the PAGA claims.

23 According to the Defendants’ records, you are an Aggrieved Employee and therefore  
24 entitled to an Individual PAGA Payment, a share of the settlement based upon the Court approved  
25 allocation. Enclosed with this Notice is your check for your Individual PAGA Payment. The  
settlement check shall remain valid for 180 days. Thereafter, all uncashed checks shall be  
distributed to California State Controller’s Office Unclaimed Property Fund with an  
identification of the amount of unclaimed funds attributable to each Aggrieved Employee.

26 Please Note: One hundred percent (100%) of your individual PAGA payment under this  
27 Settlement will be considered penalties and may be subject to local, state, or federal tax  
28 withholdings and will be reported to the IRS and state tax authorities. You should rely on your

1 own tax advisors as to the tax consequences of your individual PAGA payment. Neither Plaintiff  
2 nor Defendants have made any representations or warranties regarding the taxation of your  
3 Individual PAGA payment. Nothing within this notice or any other communication shall  
4 constitute or be construed or relied upon as tax advice within the meaning of United States  
Treasury Department Circular 230 (31 C.F.R. Part 10, as amended). Enclosed are the appropriate  
tax forms pertaining to your payment.

5 Do not call or write the Court or Office of the Clerk to ask questions about the settlement  
6 or to ask questions about the claims process. If you have any questions, you may call or write to  
7 Simpluris, Inc, (the Administrator) using the contact information at the top of this  
correspondence.

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# EXHIBIT B

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**FOR THE COUNTY OF STANISLAUS**  
**(UNLIMITED JURISDICTION)**

JUAN PERALES, on behalf of himself and as an  
“Aggrieved Employee” on behalf of other  
“Aggrieved Employees” under the Private  
Attorneys General Act of 2004,

Plaintiff,

v.

SHIPS PIZZA, INC, a California corporation;  
CENTRAL VALLEY PIZZA LLC, a California  
limited liability company; TEAM CENTRAL  
VALLEY, INC, a California corporation; GREG  
DEGRANDIS, an individual; and DOES 1-50,  
inclusive,

*Defendant(s).*

Case No. CV-22-004216

**[PROPOSED] ORDER AND  
JUDGMENT APPROVING PAGA  
SETTLEMENT AGREEMENT**

Action filed: September 19, 2022  
Dept: 24, The Honorable Sonny S.  
Sandhu

1 Having considered the Parties' PAGA Settlement Agreement ("Agreement" or "PAGA  
2 Settlement"), IT IS HEREBY ORDERED THAT:

3 1. To the extent required by Labor Code § 2699(l), the Settlement and its terms  
4 represent a reasonable and adequate settlement of highly disputed claims to Plaintiff Juan Miguel  
5 Perales ("Plaintiff"), the "Aggrieved Employees" (as the term is defined in the PAGA  
6 Settlement), the State of California, Plaintiff's counsel, and Defendants Ships Pizza, Inc., Central  
Valley Pizza LLC, and Team Central Valley, Inc., (collectively "Defendants"), and is approved.

7 2. Defendants shall pay the "Gross Settlement Amount" (as the term defined in the  
8 Settlement) in the amount of \$280,000.00. The Gross Settlement Amount includes: (a) the PAGA  
9 Counsel Fees Payment in the amount of \$93,333.33 and PAGA Counsel Litigation Expenses  
10 Payment of \$17,500.00 to David Glenn Spivak of The Spivak Law Firm and Walter L. Haines  
11 of United Employees Law Group, PAGA Counsel; (b) "PAGA Penalties" (as the term defined in  
12 the PAGA Settlement) payable to the Aggrieved Employees and the Labor and Workforce  
13 Development Agency ("LWDA"); and (c) Administration Expenses Payment of up to \$20,000.00  
14 to Simpluris, Inc, to administer the settlement, in accordance with the procedure as mentioned in  
the Settlement.

15 3. The allocation of the Settlement payment among the Plaintiff, the Aggrieved  
16 Employees, the State of California, the Administrator and Plaintiff's counsel is fair, just,  
17 reasonable, adequate, and equitable to all concerned, and is approved to the extent required under  
Labor Code § 2699(l).

18 4. The settlement is approved on the terms stated in the Agreement.

19 5. Judgment in this matter is entered in accordance with, and incorporates by  
20 reference, the terms and conditions of the Settlement. Instead of filing a request for dismissal to  
21 terminate this action, this judgment will terminate the action.

22 6. The PAGA Settlement is not an admission by Defendants, or any of the "Released  
23 Parties" (as the term is defined in the Settlement), nor is this judgment a finding of the validity  
24 of any allegations or of any wrongdoing by Defendants or the Released Parties. Neither this  
25 judgment, the Agreement, nor any document referred to therein, nor any action taken to carry out  
26 the PAGA Settlement, may be construed as, or may be used as, an admission of any fault,  
27 wrongdoing, omission, concession, or liability whatsoever by or against Defendants or the  
Released Parties.

7. The PAGA Settlement shall be binding on Plaintiff, all Aggrieved Employees, and the State of California, who are hereby barred from re-litigating any of the claims released by the Settlement.

8. Pursuant to Code of Civil Procedure section 664.6 the Court shall retain exclusive and continuing jurisdiction over the above-captioned action and the parties for purposes of enforcing the terms of the PAGA Settlement.

**IT IS SO ORDERED, ADJUDGED AND DECREED.**

DATE \_\_\_\_\_

**THE HONORABLE SONNY S.  
SANDHU**  
**Superior Court Judge**