

Michael Nourmand, Esq. (SBN 198439)
James A. De Sario, Esq. (SBN 262552)
THE NOURMAND LAW FIRM, APC
8822 West Olympic Boulevard
Beverly Hills, California 90211
Telephone: 310.553.3600
Facsimile: 310.553.3603

Attorneys for Plaintiff,
ISELA REYES, on behalf of herself and all others
similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

ISELA REYES, on behalf of herself and all
other similarly situated,

Plaintiffs,

v.

JDA BUSINESS VENTURES, INC., dba
PANCHO'S MEXICAN RESTAURANT, a
California corporation; DELMY C.
HERNANDEZ; ANTONIO HERNANDEZ
MADRIGA; and DOES 1 through 100,
Inclusive

Defendants.

CASE NO.: CIVSB2229066

[Assigned for all purposes to the Hon.
Christian Towns - Dept. S26]

**JOINT STIPULATION FOR CLASS
ACTION SETTLEMENT**

1 TO THE COURT:

2 This Joint Stipulation for Class Action Settlement ("Settlement Agreement") is made
3 and entered into by and between Isela Reyes ("Plaintiff"), individually and on behalf of all
4 others similarly situated, and JDA Business Ventures, Inc. dba Pancho's Mexican Restaurant
5 ("JDA"), Delmy Hernandez ("Delmy") and Antonio Hernandez Madrigal ("Antonio") (JDA,
6 Delmy and Antonio collectively will be referred to as "Defendants") (collectively, the
7 "Parties"), and is subject to the terms and conditions below, and to the Court's approval. The
8 Parties expressly acknowledge that this Settlement Agreement is entered into solely for the
9 purpose of compromising significantly disputed claims and that nothing in this Settlement
10 Agreement is an admission of liability or wrongdoing by Defendants. If for any reason the
11 Settlement Agreement is not approved, it will be of no force or effect, and the Parties will be
12 returned to their respective positions immediately prior to and as if they had never executed this
13 Settlement Agreement as more fully set forth below.

14 DEFINITIONS

15 The following definitions are applicable to this Settlement Agreement. Definitions
16 contained elsewhere in this Settlement Agreement will also be effective:

17 1. "Action" means *Isela Reyes v. JDA Business Ventures, Inc., et al.*, San
18 Bernardino County Superior Court Case No. CIVSB2229066.

19 2. "Class Counsel" means Michael Nourmand and James A. De Sario of The
20 Nourmand Law Firm, APC.

21 3. "Class Counsel Fees and Costs" means attorneys' fees, costs, and expenses
22 approved by the Court for Class Counsel's litigation and resolution of the Action, and all costs
23 incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs
24 associated with documenting the Settlement, providing any notices required as part of the
25 Settlement or Court order, securing the Court's approval of the Settlement, administering the
26 Settlement, and obtaining entry of the Judgment terminating the Action. Class Counsel will
27 request attorneys' fees of not to exceed thirty-five percent of the Gross Settlement Amount or
28 Sixty-Six Thousand Five Hundred Dollars (\$66,500) and litigation costs and expenses not to

1 exceed Twenty Thousand Dollars (\$20,000). Defendants have agreed not to oppose Class
2 Counsel's request for Class Counsel Fees and Costs.

3 4. "Class List" means a complete list of all Class Members that Defendants will
4 diligently and in good faith compile from their records and provide on a confidential basis to
5 the Settlement Administrator within fifteen (15) calendar days after the Court's entry of an
6 order granting preliminary approval of this Settlement. The Class List will be formatted in
7 Microsoft Office Excel and Defendants will use its best efforts to include each Class Member's
8 full name; most recent mailing address; last known telephone number if readily available; dates
9 of employment or number of workweeks worked during the Class Period; and Social Security
10 number.

11 5. "Class Member(s)" or "Settlement Class" means Plaintiff and all current and
12 former hourly non-exempt employees of Defendants within California at any time during the
13 Class Period.

14 6. "Class Period" means the period from October 31, 2018 through the date that
15 total workweeks reach 3,572.

16 7. "Class Representative Enhancement Payment" means the amount to be paid from
17 the Gross Settlement Amount to the named Plaintiff in exchange for executing a general release
18 and in recognition of her efforts in prosecuting the Action on behalf of Class Members.
19 Plaintiff will request and Defendants will not oppose Plaintiff's application to the court for a
20 payment of Ten Thousand Dollars (\$10,000) for her willingness to serve as Class
21 Representative.

22 8. "Court" means the San Bernardino County Superior Court, or any other court
23 taking jurisdiction of the Action.

24 9. "Effective Date" means the date when the Final Approval Order becomes final.
25 For purposes of this Paragraph, the Final Approval Order "becomes final" upon the last to occur
26 of the following: (a) if there are no objections to the Settlement, the date the Court enters an
27 order granting final approval of the Settlement; or (b) if there are objections to the Settlement,
28 and if an appeal, review, or writ is not sought from the Final Approval Order, the day after the

1 time period to appeal the Settlement has expired, i.e., 60 days from the date the Court enters an
2 order granting final approval of the Settlement.

3 10. "Gross Settlement Amount" means the maximum settlement amount of One
4 Hundred Ninety Thousand Dollars (\$190,000) ("Gross Settlement Amount"), which has been
5 and/or will be paid by Defendants in full satisfaction of all claims arising from the Action. The
6 Gross Settlement Amount includes all Individual Settlement Payments to Participating Class
7 Members, the Class Representative Enhancement Payment, Settlement Administration
8 Expenses, Class Counsel Fees and Cost, and PAGA penalties in the amount of Ten Thousand
9 Dollars (\$10,000) of which 75% or Seven Thousand Five Hundred Dollars (\$7,500) will be
10 paid to the Labor Workforce Development Agency ("LWDA") and 25% or Two Thousand Five
11 Hundred Dollars (\$2,500) to PAGA Group Members. Defendants will pay the employer's share
12 of payroll taxes on the wage portion of the Individual Settlement Payments, as applicable, in
13 addition to the Gross Settlement Amount.

14 11. "Individual Settlement Payment" means each Participating Class Member's and
15 PAGA Group Member's share of the Net Settlement Amount, to be distributed to Plaintiff,
16 PAGA Group Members and Class Members who do not request exclusion from the settlement.

17 12. "Net Settlement Amount" means the maximum amount available for distribution
18 to the Class Members, after deduction of Class Counsel Fees and Costs, Class Representative
19 Enhancement Payment, Settlement Administration Expenses, and \$10,000 as PAGA penalties
20 from the Gross Settlement Amount.

21 13. "Notice of Objection" means a Class Member's valid and timely written
22 objection to the Settlement Agreement. For the objection to be valid, it must include: (i) the
23 objector's full name, signature, address, and telephone number; (ii) a written statement of all
24 grounds for the objection accompanied by any legal support for such objection; (iii) copies of
25 any papers, briefs, or other documents upon which the objection is based; and (iv) a list of all
26 persons who will be called to testify in support of the objection. Further, an objector may
27 appear at the Final Approval hearing, either in person or through counsel, at his or her expense.
28

1 The Parties will be permitted to respond in writing to such objections at least seven calendar
2 days prior to the Final Approval hearing or within the time period set by the Court.

3 14. "Notice" means the Notice of Class Action Settlement, substantially in the form
4 attached as Exhibit A.

5 15. "PAGA" means the California Private Attorneys General Act of 2004, which is
6 codified in California Labor Code §2698, et seq.

7 16. "PAGA Group Member(s)" means Plaintiff and all current and former hourly
8 non-exempt employees of Defendants within California at any time during the PAGA Period.

9 17. "PAGA Period" means the period from October 31, 2021 through the end of the
10 Class Period..

11 18. "PAGA Settlement Amount" means the portion of the Gross Settlement Amount
12 allocated to the resolution of PAGA Group Members' claims arising under PAGA. The Parties
13 have agreed that the PAGA Settlement Amount is Ten Thousand Dollars (\$10,000), subject to
14 Court approval. Of the PAGA Settlement Amount, 75% or Seven Thousand Five Hundred
15 Dollars (\$7,500) will be paid to the LWDA ("LWDA Payment"), and the remaining 25% or
16 Two Thousand Five Hundred Dollars (\$2,500) will be distributed to PAGA Group Members.

17 19. "Participating Class Members" means all Class Members who do not submit
18 valid Requests for Exclusion.

19 20. "Preliminary Approval" means the Court order granting preliminary approval of
20 the Settlement Agreement.

21 21. "Released PAGA Claims" means all claims for civil penalties under PAGA
22 based on the labor code violations alleged in the notice sent by Plaintiff to the LWDA, as well
23 as all facts, theories, or claims for civil penalties that would be considered administratively
24 exhausted under applicable law by the PAGA notice the Plaintiff sent to the LWDA. PAGA
25 Group Members shall receive their portion of the PAGA penalties regardless of their decision to
26 opt-out of the class settlement and therefore the Released PAGA Claims would apply to them.

27 ///

28 ///

1 22. “Released Claims” means state wage and hour claims, penalties, interest,
2 damages, wages, attorney’s fees, and costs, and causes of action, arising from or related to the
3 claims pled in Plaintiff’s operative complaint (“Complaint”) or that could have been pled in the
4 Complaint based on the factual allegations pled in the Complaint, including, without limitation,
5 claims for 1) minimum and overtime wages, 2) failure to provide compliant meal and rest
6 breaks, 3) inaccurate wage statements, 4) failure to pay all wages owed upon termination, and
7 5) unfair competition claims under California Business & Professions Code §17200, *et seq.*
8 based on the labor code violations alleged, and any penalties, restitution, disgorgement, interest
9 or attorneys’ fees that occurred during the Class Period. This release will cover all Class
10 Members who do not opt out.

11 23. “Released Parties” means Defendants and Defendants’ former and present
12 parents, subsidiaries and affiliated companies and entities, and its current, former, and future
13 owners, officers, shareholders, directors, members, managers, operators, employees,
14 consultants, vendors, partners, affiliates, subsidiaries, shareholders, attorneys, insurers, payroll
15 providers, joint venturers and agents, and any successors, assigns, or legal representatives.

16 24. “Request for Exclusion” means a timely letter submitted by a Class Member
17 indicating a request to be excluded from the Settlement. The Request for Exclusion must: (a)
18 set forth the name, address, telephone number and last four digits of the Social Security
19 Number of the Class Member requesting exclusion; (b) be signed by the Class Member; (c) be
20 returned by mail to the Settlement Administrator at the specified address indicated in the
21 Notice; (d) clearly state that the Class Member does not wish to be included in the Settlement;
22 and (e) be postmarked on or before the Response Deadline.

23 25. “Response Deadline” means the deadline by which Class Members must
24 postmark to the Settlement Administrator a valid Request for Exclusion, submit objections to
25 the Settlement or dispute workweeks. The Response Deadline will be forty-five (45) calendar
26 days from the initial mailing of the Notice by the Settlement Administrator. The Response
27 Deadline for Request for Exclusion, objection or dispute workweeks will be extended fifteen
28 (15) calendar days for any Class Member who is re-mailed a Notice by the Settlement

1 Administrator in accordance with the notice procedure described herein. The Response
2 Deadline may also be extended by express agreement between Class Counsel and Defendants'
3 counsel.

4 26. "Settlement Administrator" means CPT Group, Inc. ("CPT") or any other third-
5 party class action settlement administrator agreed to by the Parties and approved by the Court
6 for the purposes of administering this Settlement. The Parties each represent that they do not
7 have any financial interest in the Settlement Administrator or otherwise have a relationship with
8 the Settlement Administrator that could create a conflict of interest.

9 27. "Settlement Administration Expenses" means the costs payable to the Settlement
10 Administrator for administering this Settlement, including, but not limited to, printing,
11 translating into Spanish, conducting a National Change of Address ("NCOA") search,
12 distributing (including with appropriate postage), and tracking documents for this Settlement in
13 English and Spanish, any searches to locate any Class Members, tax reporting, distributing the
14 Individual Settlement Payments, Class Representative Enhancement Payment, Class Counsel
15 Fees and Costs, and providing necessary certification of completion of notice, reports and
16 declarations, establishing and administering a qualified settlement fund account and other
17 responsibilities set forth in this Settlement Agreement and as requested by the Parties. The
18 Settlement Administration Expenses are currently estimated to be not more than Eight
19 Thousand Five Hundred Dollars (\$8,500).

20 TERMS OF AGREEMENT

21 Plaintiff, on behalf of herself and the Settlement Class, and Defendants agree as follows:

22 28. Impact of Any Court Determination Not to Enter Final Approval Order. In the
23 event that the Court does not enter a Final Approval Order and this Settlement Agreement does
24 not become effective, the following will occur:

- 25 a. on the date final approval is denied, the status of the Action will be
26 deemed to return to its status at the time immediately prior to and as if the
27 Parties had never executed this Settlement Agreement; and
28

b. The Parties will evenly split and pay the Settlement Administrator for any costs incurred by the Settlement Administrator.

29. Settlement Funding. Within fifteen (15) calendar days of the Effective Date, Defendants will deposit \$190,000 of the Gross Settlement Amount and employer's share of payroll taxes with the Settlement Administrator who will deposit the funds into an interest-bearing trust account referred to as the Qualified Settlement Fund ("QSF") account from which the Settlement Administrator will have authority to distribute money in accordance with the terms of this Settlement Agreement. The employer's share of payroll taxes, to be calculated with the assistance of the Settlement Administrator, shall be paid by Defendants in addition to the Gross Settlement Amount.

30. Class Counsel Fees and Costs. Defendants agree not to oppose or impede any application or motion by Class Counsel for Class Counsel Fees in the amount of up to Sixty-Six Thousand Five Hundred Dollars (\$66,500), plus the reimbursement of the actual costs and expenses associated with Class Counsel's litigation and settlement of the Action, not to exceed Twenty Thousand Dollars (\$20,000).

31. Class Representative Enhancement Payment. In exchange for named Plaintiff's executing a general release, and in recognition of her efforts in prosecuting the Action on behalf of Class Members, Defendants agree not to oppose or impede any application or motion for a Class Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000). The Class Representative Enhancement Payment, which will be paid from the Gross Settlement Amount, will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement. Plaintiff shall be issued an IRS Form-1099 for the payment of the Enhancement by the Settlement Administrator. Plaintiff will be solely and legally responsible to pay any and all applicable taxes, penalties and interest on the payment made pursuant to this paragraph and will hold Defendants harmless from any claim or liability for taxes, penalties, or interest arising as a result of the payment.

///

///

1 32. Settlement Administration Expenses. The Settlement Administrator will be paid
2 for the reasonable fees and costs of administration of the Settlement, which are estimated no to
3 exceed Eight Thousand Five Hundred Dollars (\$8,500). These will include, *inter alia*, fees and
4 costs payable to the Settlement Administrator for printing, translating into Spanish, distributing
5 (including with appropriate postage), and tracking documents for this Settlement in English and
6 Spanish, any searches to locate any Class Members, calculating estimated amounts per Class
7 Member, tax reporting, distributing the Individual Settlement Payments, Class Representative
8 Enhancement Payment, Class Counsel Fees and Costs, payment to LWDA for PAGA penalties,
9 and providing necessary certification of completion of notice, reports and declarations,
10 establishing and administering a Qualified Settlement Fund account, required tax reporting on
11 the Individual Settlement Payments, the issuing of 1099 and W-2 IRS forms, calculating the
12 employer's share of payroll taxes on the wage portion of the Individual Settlement Payments
13 and coordinating related reporting, and other responsibilities as requested by the Parties. The
14 Settlement Administration Expenses will be paid from the Gross Settlement Amount.

15 33. Net Settlement Amount. The Net Settlement Amount will be used to satisfy
16 Individual Settlement Payments to Participating Class Members from the Settlement Class and
17 PAGA Group Members in accordance with the terms of this Agreement.

18 34. Individual Settlement Payment Calculations. Defendants will provide the
19 Settlement Administrator with the total number of workweeks for each Class Member during
20 the Class Period and total number of workweeks for each PAGA Group Member during the
21 PAGA Period. The Settlement Administrator will divide the Net Settlement Amount, less
22 \$2,500 (or the Court approved amount from the PAGA Settlement Amount allocated for PAGA
23 penalties to PAGA Group Members), by the total number of workweeks ("Work Week Rate
24 Amount") and then multiply this amount by each Class Member's total number of workweeks to
25 yield that employee's Net Settlement Payment. In the event a Class Member submits a timely
26 Request for Exclusion from the settlement, his/her share of the settlement will be added to the
27 Net Settlement Amount.

28 ///

1 NET
2 SETTLEMENT
3 AMOUNT X

Participating
Class Member's
Workweeks

4 Total number of
5 Workweeks for
6 all Class
7 Members

8 In additional, each Class Member who is a PAGA Group Member will be paid a pro-rata
9 share of the \$2,500 allocated for PAGA penalties to PAGA Group Members, as calculated by
10 the Settlement Administrator, with a formula similar to payments to Participating Class
11 Members.

12 \$2,500 for PAGA
13 Penalties to PAGA
14 Group Members X

Individual PAGA
Group Member's
Workweeks during
PAGA Period

15 Total number of
16 Workweeks for all
17 PAGA Group Members
18 during PAGA Period

19 The Individual Settlement Payment for any Participating Class Member who is also a
20 PAGA Group Member shall include the Participating Class Member's share of the PAGA
21 Settlement Amount allocated for PAGA penalties to PAGA Group Members.

22 Class Members who are PAGA Group Members will not be permitted to exclude
23 themselves from the PAGA claim portion of the Settlement. PAGA penalty settlement
24 payments in the appropriate amounts will be distributed by the Settlement Administrator by
25 mail to the PAGA Group Members including to those Class Members who are PAGA Group
26 Members who submitted a request for exclusion.

27 35. No Credit Toward Benefit Plans. All Settlement Awards to Class Members shall
28 be deemed to be income to such Class Members solely in the year in which such awards
 actually are received by the Class Members. It is expressly understood and agreed that the
 receipt of such Settlement Awards will not entitle any Class Member to additional
 compensation or benefits under any company bonus, paid time off (including vacation and sick
 leave), or other compensation or benefit plan or agreement in place during the period covered

1 by the Settlement, nor will it entitle any Class Member to any increased retirement, 401(k)
2 benefits or matching benefits, or deferred compensation benefits. It is the intent of this
3 Settlement that the Settlement Awards provided for in this Agreement are the sole payments to
4 be made by Defendants to the Class Members in connection with this Settlement, and that the
5 Class Members are not entitled to any new or additional compensation or benefits as a result of
6 having received the Settlement Awards (notwithstanding any contrary language or agreement in
7 any benefit or compensation plan document that might have been in effect during the period
8 covered by this Settlement).

9 36. Settlement Administration Process. The Parties agree to cooperate in the
10 administration of the settlement and to make all reasonable efforts to control and minimize the
11 costs and expenses incurred in administration of the Settlement.

12 37. Delivery of the Class List. Within fifteen (15) calendar days of Preliminary
13 Approval, Defendants will provide the Class List to the Settlement Administrator.

14 38. Notice by First-Class U.S. Mail. Within seven (7) calendar days after receiving
15 the Class List from Defendants, the Settlement Administrator will mail the Notice to all Class
16 Members via regular First-Class U.S. Mail.

17 39. Confirmation of Contact Information in the Class Lists. Prior to mailing, the
18 Settlement Administrator will perform a search based on the National Change of Address
19 Database for information to update and correct for any known or identifiable address changes.
20 Any Notice returned to the Settlement Administrator as non-deliverable on or before the
21 Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding
22 address, and the Settlement Administrator will indicate the date of such re-mailing on the
23 Notice. If no forwarding address is provided, the Settlement Administrator will promptly
24 attempt to determine the correct address using a skip-trace, or other search using the name,
25 address and/or Social Security number of the Class Member involved and will then perform a
26 single re-mailing. Those Class Members who receive a re-mailed Notice will have between the
27 latter of (i) an additional fifteen calendar (15) days or (ii) the Response Deadline to postmark a
28 Request for Exclusion, submit an objection to the Settlement or dispute workweeks.

1 40. Notice. All Class Members will be mailed the Notice. The Notice will provide:
2 (1) information regarding the nature of the Action, (2) a summary of the Settlement's principal
3 terms, (3) the Settlement Class definition, (4) each Class Member's number of workweeks
4 worked during the Class Period, (5) each Class Member's estimated Individual Settlement
5 Payment; (6) the dates which comprise the Class Period, (7) instructions on how to submit valid
6 Requests for Exclusion, objections or dispute workweeks, (8) the deadlines by which the Class
7 Member must postmark Request for Exclusions, submit objections to the Settlement or dispute
8 workweeks, and (9) the claims to be released, as set forth in this Settlement Agreement.

9 41. Request for Exclusion Procedures. Any Class Member wishing to opt out from
10 the Settlement Agreement must sign and postmark a written Request for Exclusion to the
11 Settlement Administrator within the Response Deadline. The date of the postmark on the return
12 mailing envelope will be the exclusive means to determine whether a Request for Exclusion has
13 been timely submitted. The Parties to this Agreement and their counsel agree that they will not
14 solicit or encourage Class Members to opt-out or object to this Settlement Agreement. If the
15 Court approves the compromise of the PAGA claim, all PAGA Group Members are bound by
16 the Court's resolution of that claim. Class Members who are also PAGA Group Members
17 submitting a request for exclusion will nevertheless receive their pro-rata share of the 25% of
18 the PAGA Settlement Amount allocated for PAGA penalties to PAGA Group Members.

19 42. Defective Submissions. If a Class Member's Request for Exclusion is defective
20 as to the requirements listed in this Settlement Agreement, that Class Member will be given an
21 opportunity to cure the defect(s). The Settlement Administrator will mail the Class Member a
22 cure letter within three (3) calendar days of receiving the defective submission to advise the
23 Class Member that his or her submission is defective and that the defect must be cured to render
24 the Request for Exclusion valid. The Class Member will have until the later of (i) Response
25 Deadline or (ii) fifteen (15) calendar days from the date of the cure letter to postmark a revised
26 Request for Exclusion.

27 ///

28 ///

1 43. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
2 Member who does not affirmatively opt out of the Settlement Agreement by submitting a
3 timely and valid Request for Exclusion will be bound by all of its terms, including those
4 pertaining to the Released Claims (other than as it applies to the PAGA claims with respect to
5 the PAGA Group Members), as well as any Judgment that may be entered by the Court if it
6 grants final approval to the Settlement. If the Court approves the compromise of the PAGA
7 claim, Class Members who are also PAGA Group Members submitting a request for exclusion
8 will nevertheless be bound by the Court's resolution of that claim and receive their pro-rata
9 share of the 25% of the PAGA Payment allocated to the PAGA Group Members.

10 44. Objection Procedures. To object to the Settlement Agreement, a Class Member
11 may not submit a Request for Exclusion and must mail a valid Notice of Objection to the
12 Settlement Administrator by the Response Deadline. The Settlement Administrator will notify
13 counsel for the Parties forthwith via email. Class Counsel will lodge the objection with the
14 Court. The Notice of Objection must be signed by the Class Member and contain all
15 information required by this Settlement Agreement. The postmark date of the mailing will be
16 deemed the exclusive means for determining that the Notice of Objection is timely. Class
17 Members who wish to object will have a right to appear at the Final Approval Hearing, with or
18 without counsel at his/her own expense, in order to have their objections heard by the Court. At
19 no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class
20 Members to submit written objections to the Settlement Agreement or appeal from the Final
21 Approval Order and Judgment.

22 45. Certification Reports Regarding Individual Settlement Payment Calculations.
23 The Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly
24 report which certifies: (i) the number of Class Members who have submitted valid Request for
25 Exclusion and objections; and (ii) the number of any deficient Request for Exclusion.
26 Additionally, the Settlement Administrator will provide to counsel for both Parties any updated
27 reports regarding the administration of the Settlement Agreement as needed or requested.

28 ///

1 46. Timing of Distribution of Individual Settlement Payments. Within three (3)
2 calendar days of Defendants depositing the entire Gross Settlement Amount, and employer's
3 share of payroll taxes, the Settlement Administrator will issue payments to (1) Participating
4 Class Members and PAGA Group Members; (2) Plaintiff; (3) Class Counsel; and payment to
5 LWDA. The Settlement Administrator will also issue a payment to itself for Court-approved
6 services performed in connection with the settlement.

7 47. Uncashed or Undeliverable Settlement Checks. Individual settlement checks
8 paid to Participating Class Members and PAGA Group Members will be valid for 180 days.
9 Participating Class Members and PAGA Group Members will have one hundred eighty (180)
10 calendar days from the date of issuance of the check to cash their check. For any check not
11 cashed after 180 calendar days, the Settlement Administrator will send the amount represented
12 by the check to the California State Controller Unclaimed Property, with the identity of the
13 Participating Class Member and PAGA Group Member to whom the funds belong, to be held
14 for the Participating Class Member and PAGA Group Member per California Unclaimed
15 Property Law, in the interest of justice. The money paid to the California State Controller
16 Unclaimed Property will remain the Participating Class Member and PAGA Group Member's
17 property. This will allow Participating Class Member and PAGA Group Member who did not
18 cash their checks to collect their Individual Settlement Amounts at any time in the future.
19 Therefore, there will be no unpaid residue or unclaimed or abandoned class member funds, and
20 the California Code of Civil Procedure section 384 shall not apply. The funds will be held by
21 the State until claimed by the employee and the uncashed check never ceases to be the
22 employee's property.

23 48. Certification of Completion. Upon completion of administration of the
24 Settlement, the Settlement Administrator will provide a written declaration under oath to certify
25 such completion to the Court and counsel for all Parties.

26 49. Treatment of Individual Settlement Payments. All Individual Settlement
27 Payments will be allocated as follows: 100% of each PAGA Group Member's pro-rata share of
28 the \$2,500 allocated for PAGA penalties shall be allocated as penalties; 20% of each Individual

1 Settlement Payment will be allocated for the settlement of wage claims; and the remaining 80%
2 will be allocated to the settlement of claims for interest and statutory penalties. The portion
3 allocated to wages in each Individual Settlement Payment will be reported on an IRS Form W-2
4 and the portion allocated to interest and penalties will be reported on an IRS Form-1099 by the
5 Settlement Administrator.

6 50. Administration of Taxes by the Settlement Administrator. The Settlement
7 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, PGA
8 Group Members, Class Counsel, and Defendants any W-2, 1099, or other tax forms as may be
9 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement
10 Administrator will also be responsible for forwarding all payroll taxes and other legally
11 required withholdings, and related reporting, to the appropriate government authorities.

12 51. Defendants Responsibility for Employer Taxes: For any portion of the Class
13 Members' Individual Settlement Payments that are designated as "wages" for purposes of tax
14 reporting, the employer's taxes, employer contributions of all federal, state, and local taxes
15 (including, but not limited to, FICA, FUTA, and SDI), will be paid in addition to the Gross
16 Settlement Amount, via and with the Settlement Administrator's assistance.

17 52. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
18 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY
19 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER
20 PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS

21 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN
22 OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR
23 WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR
24 DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX
25 ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
26 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY
27 (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT
28 LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN

1 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
2 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR
3 ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED
4 TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR
5 ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE
6 IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR
7 TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE
8 CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES
9 (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
10 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR
11 TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION
12 CONTEMPLATED BY THIS AGREEMENT.

13 53. No Prior Assignments. The Parties and their counsel represent, covenant, and
14 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
15 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
16 demand, action, cause of action or right released and discharged in this Settlement Agreement.

17 54. Release Effective Date: Upon the date the Court enters an order granting final
18 approval of the settlement and Defendants fully fund the Gross Settlement Amount and the
19 employer's share of payroll taxes, participating Class Members and PAGA Group Members, on
20 behalf of themselves and their respective former and present representatives, agents, attorneys,
21 heirs, administrators, successors, and assigns, release Released Parties from the Released Class
22 Claims and PAGA Group Members from the Released PAGA Claims.

23 55. Release by Plaintiff. Upon the date the Court enters an order granting final
24 approval of the settlement and Defendants fully funds the Gross Settlement Amount and the
25 employer's share of payroll taxes, in addition to the claims being released by all Class
26 Members, Plaintiff will provide the following additional general release ("General Release") :
27 Plaintiff, on her own behalf and on behalf of her heirs, spouses, executors, administrators,
28 attorneys, agents and assigns, fully and finally releases the Released Parties from all claims,

1 demands, rights, liabilities and causes of action of every nature and description whatsoever,
2 known or unknown, asserted or that might have been asserted, whether in tort, contract, or for
3 violation of any state or federal statute, rule or regulation arising out of, relating to, or in
4 connection with any act or omission by or on the part of any of the Released Parties committed
5 or omitted prior to the execution of this Agreement. This General Release includes any
6 unknown claims Plaintiff does not know or suspect to exist in her favor at the time of this
7 General Release, which, if known by them, might have affected her settlement with, and release
8 of, the Released Parties or might have affected her decision not to object to this Settlement or
9 this Release. To the extent the foregoing releases are releases to which Section 1542 of the
10 California Civil Code or similar provisions of other applicable law may apply, Plaintiff
11 expressly waives any and all rights and benefits conferred upon them by the provisions of
12 Section 1542 of the California Civil Code or similar provisions of applicable law which are as
13 follows:

14 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
15 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
16 FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF
17 KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS
18 OR HER SETTLEMENT WITH THE DEBTOR.

19 The significance of this release and waiver of Civil Code Section 1542 has been explained to
20 Plaintiff by her counsel. Release by Plaintiff expressly excludes any claims for workers
21 compensation against Defendants.

22 56. Neutral Reference. Defendants agree that they will only provide a neutral
23 reference for Plaintiff should any prospective employers or anyone contact them regarding
24 Plaintiff's employment. Defendants shall only provide the dates of employment and Plaintiff's
25 last job title held with Defendants.

26 57. Nullification of Settlement Agreement. In the event that: (i) the Court does not
27 finally approve the Settlement as provided in this Settlement Agreement; or (ii) the Settlement
28 does not become final for any other reason, then this Settlement Agreement and any documents

1 generated to bring it into effect will be null and void. Any order or judgment entered by the
2 Court in furtherance of this Settlement Agreement will likewise be treated as void from the
3 beginning. In such case, the Settlement shall not be used or be admissible in any subsequent
4 proceedings, either in this Action, this Court, or any other Court or forum.

5 58. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to
6 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
7 Approval Order for: (i) conditional certification of the Settlement Class for settlement purposes
8 only, (ii) preliminary approval of the proposed Settlement Agreement, and (iii) setting a date
9 for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will
10 provide for the Notice to be sent to all Class Members as specified in this Settlement
11 Agreement. In conjunction with the Preliminary Approval motion, Plaintiff will submit this
12 Settlement Agreement, which sets forth the terms of this Settlement and will include the
13 proposed Notice. Should the Court fail to enter a Preliminary Approval Order, the Parties will
14 cooperate in good faith and use their best efforts to correct whatever deficiencies the Court
15 identifies in order to obtain Preliminary Approval.

16 59. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of
17 the deadlines to postmark Request for Exclusion or submit objections to the Settlement
18 Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will
19 be conducted to determine the Final Approval of the Settlement Agreement along with the
20 amounts properly payable for (i) Individual Settlement Payments; (ii) the Class Counsel Fees
21 and Costs; (iii) the Class Representative Enhancement Payment; (iv) payment to LWDA for
22 PAGA penalties; and (v) all Settlement Administration Expenses. Class Counsel will be
23 responsible for drafting all documents necessary to obtain final approval. Class Counsel will
24 also be responsible for drafting the attorneys' fees and costs application to be heard at the Final
25 Approval/Settlement Fairness Hearing.

26 60. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by
27 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present a
28 proposed Judgment to the Court for its approval. Pursuant to California Rules of Court, Rule

1 3.771(b), the Settlement Administrator shall post on its website a copy of the Judgment for a
2 period of thirty days from the date the Court signs the Judgment. After entry of the Judgment,
3 the Court will have continuing jurisdiction solely for purposes of addressing: (i) the
4 interpretation and enforcement of the terms of the Settlement Agreement, (ii) settlement
5 administration matters, and (iii) such post-Judgment matters as may be appropriate under court
6 rules or as set forth in this Settlement Agreement.

7 61. Exhibits Incorporated by Reference. The terms of this Settlement Agreement
8 include the terms set forth in any attached Exhibits, which are incorporated by this reference as
9 though fully set forth in this Settlement Agreement. Any Exhibits to this Agreement are an
10 integral part of the Settlement.

11 62. Entire Agreement. This Settlement Agreement and any attached Exhibits
12 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous
13 written or oral agreements may be deemed binding on the Parties. The Parties expressly
14 recognize California Civil Code Section 1625 and California Code of Civil Procedure Section
15 1856(a), which provide that a written agreement is to be construed according to its terms and
16 may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such
17 extrinsic oral or written representations or terms will modify, vary or contradict the terms of
18 this Agreement.

19 63. Amendment or Modification. This Settlement Agreement may be amended or
20 modified only by a written instrument signed by counsel for all Parties or their successors-in-
21 interest.

22 64. Authorization to Enter Into Settlement Agreement. Counsel for all Parties
23 warrant and represent they are expressly authorized by the Parties whom they represent to
24 negotiate this Settlement Agreement and to take all appropriate action required or permitted to
25 be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to
26 execute any other documents required to effectuate the terms of this Settlement Agreement.
27 The Parties and their counsel will cooperate with each other and use their best efforts to effect
28 the implementation of the Settlement. If the Parties are unable to reach agreement on the form

1 or content of any document needed to implement the Settlement Agreement, or on any
2 supplemental provisions that may become necessary to effectuate the terms of this Settlement
3 Agreement, the Parties may seek the assistance of the Court to resolve such disagreement.

4 65. Binding on Successors and Assigns. This Settlement Agreement will be binding
5 upon, and inure to the benefit of, the successors or assigns of the Parties to this Settlement
6 Agreement, as previously defined.

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

13 67. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
14 believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action
15 and have arrived at this Settlement Agreement after arm's-length negotiations and in the
16 context of adversarial litigation, taking into account all relevant factors, present and potential.
17 The Parties further acknowledge that they are each represented by competent counsel and that
18 they have had an opportunity to consult with their counsel regarding the fairness and
19 reasonableness of this Settlement Agreement.

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

24 69. Captions. The captions and section numbers in this Agreement are inserted for
25 the reader's convenience, and in no way define, limit, construe or describe the scope or intent of
26 the provisions of this Agreement.

27 ///

28 ///

1 70. Waiver. No waiver of any condition or covenant contained in this Agreement or
2 failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
3 constitute a further waiver by such party of the same or any other condition, covenant, right or
4 remedy.

5 71. Enforcement Actions. In the event that one or more of the Parties institutes any
6 legal action or other proceeding against any other Party to enforce the provisions of this
7 Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement,
8 the successful Party will be entitled to recover from the unsuccessful Party reasonable
9 attorneys' fees and costs, including expert witness fees incurred in connection with any
10 enforcement actions.

11 72. Mutual Preparation. The Parties have had a full opportunity to negotiate the
12 terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement
13 will not be construed more strictly against one party than another merely by virtue of the fact
14 that it may have been prepared by counsel for one of the Parties, it being recognized that,
15 because of the arms-length negotiations between the Parties, all Parties have contributed to the
16 preparation of this Agreement.

17 73. Representation By Counsel. The Parties acknowledge that they have been
18 represented by counsel throughout all negotiations that preceded the execution of this
19 Settlement Agreement, and that this Settlement Agreement has been executed with the consent
20 and advice of counsel.

21 74. All Terms Subject to Final Court Approval. All amounts and procedures
22 described in this Settlement Agreement will be subject to final Court approval.

23 75. Cooperation and Execution of Necessary Documents. All Parties will cooperate
24 in good faith and execute all documents to the extent reasonably necessary to effectuate the
25 terms of this Settlement Agreement.

26 76. Binding Agreement. The Parties warrant that they understand and have full
27 authority to enter into this Agreement, and further intend that this Agreement will be fully
28 enforceable and binding on all Parties and agree that it will be admissible and subject to

1 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
2 provisions that otherwise might apply under federal or state law.

3 77. No Admission of Liability. Nothing contained in this Settlement Agreement shall
4 be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the
5 part of Defendants. Each of the Parties has entered into this Settlement Agreement with the
6 intention to avoid further disputes and litigation, and the attendant inconvenience and expense,
7 and to fully and forever buy their respective peace. This Settlement Agreement shall be
8 inadmissible in evidence in any action or proceeding, by any party, except an action or
9 proceeding by one of the Parties to approve, interpret, or enforce the Settlement Agreement's
10 terms.

11 78. Disputes. Any dispute between the Parties concerning the interpretation or
12 implementation of this Settlement Agreement will be resolved by the Court. Prior to any such
13 resort to the Court, counsel for the Parties will confer in good faith to resolve the dispute. If the
14 Parties are unable to resolve the dispute themselves, the dispute will be submitted to Nikki Tolt,
15 Esq. for mediation before being submitted to the Court, unless the Parties agree otherwise.

16 79. Applicable Law. All terms and conditions of this Stipulation and its exhibits will
17 be governed by and interpreted according to the laws of the State of California, without giving
18 effect to any conflict of law or choice of law principles.

19 80. Personal Guarantee. In the event JDA Business Ventures, Inc. dba Pancho's
20 Mexican Restaurant fails to fully comply with the terms of this Settlement Agreement, and in
21 consideration for the acceptance of the Gross Settlement Amount, Delmy C. Hernandez and
22 Antonio Hernandez Madrigal hereby irrevocably, absolutely and unconditionally personally
23 guarantee to Plaintiff, Class Members and PAGA Group Members the prompt and complete
24 payment of the Gross Settlement Amount and employer's share of payroll taxes, thereon, when
25 due. Delmy C. Hernandez and Antonio Hernandez Madrigal hereby waive the right to assert
26 any defenses they may have to their liability for the Gross Settlement Amount and employer's
27 share of payroll taxes, thereon, in case of a default by JDA Business Ventures, Inc. dba
28 Pancho's Mexican Restaurant.

1 **Signature of Delmy C. Hernandez Acknowledging Personal Guarantee:**

2 Delmy C Hernandez

4 **Signature of Antonio Hernandez Madrigal Acknowledging Personal Guarantee:**

5 1/24/26

7 **SIGNATURES**

8 **READ CAREFULLY BEFORE SIGNING**

10 **PLAINTIFF**

11 Dated: 03/11/2026

11 Isela Reyes

12 Isela Reyes

14 **DEFENDANT**

15 Dated: 4/3/26 10:31 EDT

15 Delmy C Hernandez

16 JDA Business Ventures, Inc. dba Pancho's
Mexican Restaurant

17 Delmy C Hernandez

18 By: Delmy C HERNANDEZ
19 Its: President

20 **DEFENDANT**

21 Dated: 3/12/26 15:30 EDT

21 Delmy C Hernandez

22 Delmy C. Hernandez

24 **DEFENDANT**

25 Dated: 3/26/26 14:28 EDT

25 1/24/26

26 Antonio Hernandez Madrigal