PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698 *ET SEQ.*) SETTLEMENT AGREEMENT

Wesley Beechler vs. Santa Monica Brew Works
Los Angeles County Superior Court, Case No. 23SMCV01768

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that the settlement of this action with respect to all claims brought in a representative capacity pursuant to the Private Attorneys General Act ("PAGA") (Labor Code § 2698 *et seq.*) shall be effectuated upon and subject to the following terms and conditions. Capitalized terms used herein shall have the meanings set forth in Article I or elsewhere in this PAGA Settlement Agreement ("Agreement").

This Agreement is made by and between Defendant Santa Monica Brew Works, LLC ("Defendant"), Plaintiff Wesley Beechler ("Plaintiff"), for himself and in his capacity as a representative of the State of California, and on behalf of other Aggrieved Employees (as defined below), and the law firms defined below as "Plaintiff's Counsel" and "Defense Counsel." (Defendant, Plaintiff and Aggrieved Employees, as defined herein, are sometimes collectively referred to as the "Parties.")

The Parties agree that all representative claims brought pursuant to the PAGA in the Superior Court of California, County of Los Angeles, Case No. 23SMCV01768 (the "Litigation" or "Action") shall be, and hereby are, ended, settled, resolved, and concluded by agreement of Defendant to pay the sum of Fifty Thousand Dollars and Zero Cents ($50,000) (hereinafter referred to as the "PAGA Gross Settlement Amount") for settlement of the PAGA claims and penalties sought in the Litigation, which shall be inclusive of Plaintiff's attorneys' fees and costs in connection with the Litigation, an enhancement and general release payment to Plaintiff, and the expenses of the Settlement Administrator. The Parties further agree that this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as an admission of liability.

Article I.

Definitions.

Section 1.01 Definitions.

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

(a) "Aggrieved Employees" means all current and former non-exempt employees who were employed by Defendant in California at any time during the PAGA Release Period. Defendant represents that the total number of Aggrieved Employees is approximately 31 individuals who worked approximately 793 pay periods during the PAGA Release Period.

(a) "Complaint" means the operative Complaint filed by Plaintiff in the Action on or about May 19, 2023, which asserts a single cause of action under the PAGA predicated on underlying violations of Labor Code §§ 201, 202, 226(a), 226.3, 226.7, 246, 510, 512, 558, 1194, 2802, and 2699.

(b) "Court" means the Superior Court for the State of California, County of Los Angeles.

(c) "Defense Counsel" or "Counsel for Defendant" is:

Matthew Oster, Esq.
Julian Duarte, Esq.
WOLF, RIFKIN, SHAPIRO, SCHULMAN & RABKIN, LLP
11400 West Olympic Boulevard, 9th Floor
Los Angeles, California 90064

(d) "Effective Date" means the date on which the Court approves this Agreement and dismisses the Action, with prejudice.

(e) "PAGA Release Period" is the period from April 24, 2022 to May 5, 2024.

(f) "Plaintiff's Counsel" is:

Daniel F. Gaines, Esq.
Alex P. Katofsky, Esq.
GAINES & GAINES, APLC
4550 East Thousand Oaks Boulevard, Suite 100
Westlake Village, California 91362

Article II.

<u>Background</u>.

Section 2.01 <u>Background.</u>

(a) On February 16, 2023 and March 15, 2023, Plaintiff, on behalf of himself and similarly situated aggrieved employees, submitted notices to the California Labor & Workforce Development Agency ("LWDA") memorializing claims against Defendant for violations of the California Labor Code, including claims for failure to properly blend bonuses a.ıd other non-base hourly wages, including, but not limited to, "Service Charge" wages, earned by Aggrieved Employees into their regular rate of pay for purposes of paying them meal and rest period premiums, overtime wages, and sick pay wages at the correct rates, in violation of Labor Code §§ 226.7, 246, 510, 512, 558, and 1194; failure to pay correct premium wages to Aggrieved Employees who were denied rest periods, in violation of Labor Code § 226.7 and IWC Wage Order No. 5-2001; failure to pay correct premium wages to Aggrieved Employees who were denied proper meal periods, in violation of Labor Code §§ 226.7, 512, and 558 and IWC Wage Order 5-2001; failure to reimburse Aggrieved Employees for necessary business expenses incurred in direct consequence of the discharge of their duties, in violation of Labor Code § 2802 and IWC Wage Order 5-2001, including, but not limited to, the cost of a uniform with Defendant's logo and the cost of laundering and maintaining their uniforms while working for Defendant; failure to provide Aggrieved Employees with wage statements that fully and accurately itemized the requirements set forth in Labor Code § 226(a); and failure to pay Aggrieved Employees all wages due at the separation of their employment based on the time frames required by Labor Code §§ 201 and 202.

(b) On April 24, 2023, Plaintiff filed his Complaint in the Superior Court of the State of California, County of Los Angeles, entitled *Wesley Beechler vs. Santa Monica Brew Works, et al.,* Case No. 23SMCV01768. Through this Settlement, the Parties have agreed to resolve Plaintiff's claims under the PAGA based on alleged violations of Labor Code §§ 201, 202, 226(a), 226.3, 226.7, 246, 510, 512, 558, 1194, 2802, and 2699 premised on Defendant's alleged failure to pay all wages due, provide all meal and rest periods or premium compensation in lieu thereof, timely pay all wages due upon separation of employment, and issue complete and accurate wage statements.

(c) The Parties engaged direct settlement discussions over the course of several months. In advance of settlement negotiations, the Parties engaged in informal discovery to determine the total number of aggrieved employees and implicated pay periods at issue, together with a review of the pertinent policies and procedures. At all times, the Parties' settlement negotiations have been non-collusive, adversarial, and at arm's length.

(d) The Parties agree that the investigation and evaluation discussed above, as well as discovery and the information exchanged to date, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiff, Plaintiff's Counsel, Defendant, and Defendant's Counsel have concluded that it is desirable that the PAGA claims asserted in the Action be settled in a manner and upon such terms and conditions set forth herein in order to avoid further expense, inconvenience and distraction of further legal proceedings, and the risk of an adverse outcome each of the Parties potentially face. Plaintiff, Plaintiff's Counsel, Defendant, and Defendant's Counsel are of the opinion that the Agreement for the consideration and terms set forth herein is fair, reasonable, and adequate in light of all known facts and circumstances.

(e) This Agreement contemplates the (a) entry of an order by the Court approving the payment allocated for settlement of the PAGA Gross Settlement Amount; (b) dismissal of the Action with prejudice; and (c) all Parties bearing their respective fees and costs except as expressly provided in this Agreement. These terms are material provisions of this Agreement.

Defendant denies each and every claim and contention alleged in the Action, and has always maintained that it never engaged in any unlawful acts regarding any of the matters alleged in the Action.

Article III.

<u>Scope of the Aggrieved Employees</u>.

Section 3.01 The scope of individuals encompassed under the Agreement, who are entitled to all benefits as authorized under the Agreement and subject to all obligations and duties required under the Agreement, shall include all Aggrieved Employees as defined in Section 1.01(a).

Article IV.

<u>Approval and Implementation of Settlement</u>.

Section 4.01 <u>Cooperation</u>.

The Parties will cooperate in obtaining, through a stipulation, or an unopposed motion to be filed by Plaintiff's Counsel, if required, an Order from the Court approving the payment of the PAGA Gross Settlement Amount as described in this Agreement at the earliest possible date. Concurrently with the submission of this Agreement to the Court, Plaintiff shall submit it to the LWDA as required by PAGA.

The Parties agree to use their best efforts to expedite the preparation and submission of the settlement documents. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating to, or that are otherwise necessary to, the approval and implementation of the payment of the PAGA Gross Settlement Amount and dismissal of the Litigation as described in this Agreement.

The Court's approval of the payment of the PAGA Gross Settlement Amount as described in this Agreement shall be embodied in a written Order, which shall be transmitted by Plaintiff's Counsel to the LWDA within ten (10) calendar days upon entry, as required by PAGA. Should the Court not grant approval of the payment of the PAGA Gross Settlement Amount as described in this Agreement or decline to dismiss the Action with prejudice, this Agreement shall be null and void and have no further effect, and all sums paid by Defendant, if any, shall be promptly returned to them.

Section 4.02 <u>Settlement Payment Procedures</u>.

(a) <u>Payment of PAGA Gross Settlement Amount and Notice to Aggrieved Employees</u>.

(1) Defendant shall pay the total amount of Fifty Thousand Dollars ($50,000) to settle the Action. This amount, *i.e.*, the PAGA Gross Settlement Amount, shall cover, resolve, and fully satisfy any and all amounts owed to Plaintiff, the Aggrieved Employees, the State of California, and Plaintiff's Counsel, including all amounts allocated to attorneys' fees and costs, in settlement of all Released PAGA Claims, as defined herein. The Parties agree that there are no circumstances that would require Defendant to pay any amount greater than the PAGA Gross Settlement Amount in connection with this Agreement unless the escalator clause in paragraph 7.15 herein is invoked. In the event that this

Agreement is canceled, rescinded, terminated, voided or nullified, or if for any reason the Effective Date does not occur, however that may occur as permitted herein, or the settlement is barred by operation of law, invalidated, or ordered not to be carried out by a court of competent jurisdiction, Defendant shall have no obligation to pay any of the PAGA Gross Settlement Amount and the Parties' respective positions shall be restored to positions prior to the settlement. Further, in that event, nothing in this Agreement, the negotiations leading to this settlement, nor any papers prepared in connection with this Agreement shall be admissible in any proceeding for any purpose whatsoever.

(2) Plaintiff's Counsel will apply to the Court for an award of attorneys' fees not to exceed thirty-five percent (35%) of the PAGA Gross Settlement Amount. Plaintiff's Counsel will also seek reimbursement of reasonable litigation costs not to exceed $5,000 (attorneys' fees and reasonable litigation costs are referred to as "Plaintiff's Counsel Payment"). Plaintiff will apply to the Court for the award of an enhancement and general release payment not to exceed $7,500. Defendant will not oppose or object to these requests, consistent with this section. In the event that the Court does not approve an award of attorneys' fees equal to the requested amount, or the Court alters the payment methodology described herein, Plaintiff's Counsel agrees not to seek additional review of the Court's decision regarding attorneys' fees, and this Settlement will be enforceable. Any reduction in this payment by the Court is not grounds to void this Agreement and any funds requested but not awarded as attorneys' fees or costs will be distributed to the LWDA and Aggrieved Employees pursuant to the distribution terms of the Agreement or any terms imposed by the Court.

(3) The "Net Settlement Fund" shall be calculated by deducting from the PAGA Gross Settlement Amount Plaintiff's Counsel Payment, up to $7,500 to Plaintiff as an enhancement and general release payment, and up to $4,000 to compensate the parties' chosen Settlement Administrator. Seventy-five percent (75%) of the Net Settlement Fund shall be distributed to the LWDA, and the remaining twenty-five percent (25%) of the Net Settlement Fund shall be distributed to the Aggrieved Employees.

(4) The Twenty-Five percent (25%) of the Net Settlement Fund to be distributed to the Aggrieved Employees will be divided by the total number of pay periods worked by all of them in California during the PAGA Release Period to yield the Pay Period Value. Each Aggrieved Employee will be paid an amount equal to their individual number of pay periods worked in California during the PAGA Release Period multiplied by the Pay Period Value.

(5) Defendant shall deposit the PAGA Gross Settlement Amount into a Qualified Settlement Fund pursuant to Section 468B(g) of the Internal Revenue Code set up by the Settlement Administrator no later than fifteen (15) calendar days after the Effective Date.

(6) Defendant will provide the Settlement Administrator with a confidential list of the names and addresses of the Aggrieved Employees, together with the number of their individual pay periods worked during the PAGA Release Period, within fifteen (15) calendar days after the Effective Date. This information will be provided confidentially to the Settlement Administrator only, and the Settlement Administrator will treat the

information as private and confidential and take all necessary precautions to maintain the confidentiality of such information. This information is to be used only to carry out the Settlement Administrator's duties as specified in this Agreement.

(7) No later than twenty-one (21) calendar days after Defendant's deposit of the PAGA Gross Settlement Amount, the Settlement Administrator shall transmit the Notice of PAGA Settlement (attached hereto as Exhibit "A"), together with settlement checks containing their full individual settlement amounts, with no claims process required, to all Aggrieved Employees by first-class United States mail, postage prepaid, to the last known address of each recipient with directions to the Postmaster to forward the Notice of PAGA Settlement and return all undeliverable Notices. No later than twenty-one (21) calendar days after Defendant's deposit of the PAGA Gross Settlement Amount, the respective shares shall be paid to Plaintiff's Counsel, the Settlement Administrator, Plaintiff for his enhancement and general release payment, and the LWDA to satisfy their payments herein.

(8) For each settlement check and Notice of PAGA Settlement to Aggrieved Employees that is returned as undeliverable, the Settlement Administrator shall promptly attempt to locate the Aggrieved Employee by using an address refresher database. If no current address is located, the individual payment for that individual will be deemed undeliverable. If any Aggrieved Employees cannot be located within two attempts at mailings by the Settlement Administrator, the individual payment for that individual will be deemed undeliverable. The value of checks uncashed more than 180 days after issuance shall be paid to the Office of the California State Controller – Unclaimed Property Fund, to be held in the name of the respective Aggrieved Employees.

(9) 100% of the PAGA Gross Settlement Amount is considered penalties and will not be subject to local, state or federal tax withholdings. All recipients of payments under this Agreement have their payments reported on an IRS Form 1099. The Settlement Administrator shall issue IRS Form 1099s (if required) to the Aggrieved Employees.

Article V.

<u>Limitations On Use Of This Settlement</u>.

Section 5.01 <u>No Admission</u>.

Defendant has denied and continues to deny all claims asserted in the Action. It is understood and agreed by the Parties that this is a compromise and settlement of all disputed claims, and that the promises and payment in consideration of this Agreement shall not be construed to be an admission of any liability or obligation whatsoever by Defendant or Released Parties to any other party or to any other person whomsoever. Defendant has agreed to resolve the asserted PAGA claims in the Action via this Agreement, but to the extent this Agreement is deemed void or the Court does not enter an order granting this Agreement, Defendant does not waive, and is expressly reserving, all rights to challenge all such claims and allegations in the Action upon all procedural and factual grounds, including, without limitation, the ability to challenge representative or collective treatment on any grounds, as well as to assert any and all other potential defenses or privileges.

Section 5.02 <u>Non-Evidentiary Use.</u>

This Agreement is made for the sole purpose of settling the PAGA claims asserted in the Action, and may only be used as evidence of the resolution detailed herein. However, neither this Agreement, nor any of its terms, nor any of the negotiations connected with it or proceedings relating to this Agreement, payouts or anything else associated with it, shall be offered or used as evidence by any of the Parties, or their respective counsel in the Litigation or in any other action or proceeding, including to establish any liability or admission on the part of Defendant or any Released Parties or to establish the existence of any condition constituting a violation of, or noncompliance with, federal, state, local or other applicable law; provided, however, this shall not prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it or proceedings relating to this Agreement, payouts or other events associated with it, shall be construed as an admission or concession by Defendant or any Released Parties or establishment of any such violation(s) or failure(s) to comply with any applicable law. If the Court does not enter an order approving the Agreement, this Agreement shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or utilized for any purpose whatsoever; and the negotiation, terms, and entry of this Agreement shall remain subject to the provisions of California Evidence Code Sections 1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable. Defendant specifically retains the right to defend, on the merits, against any non-settled claims brought by any Aggrieved Employees.

Section 5.03 <u>Nullification</u>.

(a) If the Court should for any reason fail to approve this Agreement, then (a) this Agreement shall be considered null and void, (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect, and (c) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court.

(b) Invalidation of any material portion of this Agreement shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect. Material terms of this Agreement include: the definition of Aggrieved Employees; the definition of Effective Date; the definition of PAGA Release Period; the definition of Released Claims; the definition of Released Parties; the definition of Net Settlement Fund; the requirement for entry of an order by the Court approving this Agreement and dismissing the Action with prejudice. The following terms are not material to this Agreement: Plaintiff's Counsel Payment; the amount of the Settlement Administration Fee; the allocation within the Net Settlement Fund.

Article VI.

Release and Waiver of Claims.

Section 6.01 Limited Release By Plaintiff and Aggrieved Employees.

Upon the Court's approval of this PAGA Settlement, dismissal of the Action with prejudice, and subject to Defendant's full payment of the PAGA Gross Settlement Amount, all Aggrieved Employees will be deemed to have released the Released Parties of the Released PAGA Claims which arose during employment in a non-exempt position in California during the PAGA Release Period.

"Released Parties" means the named Defendant, together with its officers, directors, employees, members, member managers, owners, subsidiaries, affiliates and agents.

"Released PAGA Claims" are all PAGA claims that Plaintiff alleged against Defendant, on behalf of the Aggrieved Employees and the State of California, as stated in the operative Complaint and in the relevant LWDA notice letter, including all PAGA claims seeking civil penalties premised upon: (a) failure to properly compute bonus, commission, and other non-base hourly wages earned by Plaintiff and other Aggrieved Employees into their regular rate of pay for purposes of paying them meal period premiums, rest period premiums, overtime, and double-time wages, (b) failure to pay correct premium wages to Plaintiff and other Aggrieved Employees who were routinely denied rest periods and not paid premium wages, (c) failure to pay correct premium wages to Plaintiff and other Aggrieved Employees who were routinely denied meal periods and not paid premium wages, (d) failure to provide accurate itemized wage statements, (e) failure to timely pay wages upon separation of employment, and (f) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* based on the facts or claims alleged in the operative Complaint. The Released PAGA Claims do not release any Aggrieved Employees' claims for wages or statutory penalties.

Section 6.02 General Release as to Plaintiff's Claims

Complete and General Release: In exchange for the consideration, promises and covenants contained in this Agreement, and subject to Defendant's full payment of the PAGA Gross Settlement Amount as provided herein, Plaintiff, on behalf of himself and his agents, representatives, attorneys, spouses, heirs, executors, administrators, successors and assigns, now or hereafter, hereby releases, waives and forever discharges Defendant and the Released Parties, from any and all claims, liabilities, causes of action, charges, complaints, obligations, costs, losses, damages, injuries, attorneys' fees, and other legal responsibilities, of any form whatsoever, whether known or unknown, unforeseen, unanticipated, unsuspected, or latent, which Plaintiff or his heirs, administrators, executors, successors in interest, and/or assigns have incurred or expect to incur, or now own or hold, or have at any time heretofore owned or held, or may at any time own, hold, or claim to hold by reason of any matter or thing arising from any cause whatsoever prior to the date of Plaintiff's execution of this Agreement related in any way to his employment with Defendant or separation thereof from Defendant ("Plaintiff's General Release").

The scope of Plaintiff's General Release extends to claims including, but not limited to, any alleged (a) violation of the National Labor Relations Act, Title VII of the Civil Rights Act, the California Fair Employment and Housing Act, the Americans With Disabilities Act of 1990, the Fair Labor Standards Act, the California Labor Code, any applicable California Wage Order, the California Private Attorneys General Act (to include but not limited to, acting as a PAGA representative), the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the California Family Rights Act, the Employee Retirement Income Security Act (excluding vested benefits), the California Unfair Business Practices Act/Unfair Competition Law, the Family and Medical Leave Act, the California Family Rights Act, the Worker Adjustment and Retraining Notification Act, and any state law equivalent; (b) harassment, discrimination, and/or retaliation on the basis of age, race, color, ancestry, national origin (including language use restrictions), citizenship, religious creed (including religious dress and grooming practices), sex marital status, domestic partnership status, sexual orientation, gender, gender identity or gender expression, veteran status, military status, political affiliation, family care or medical leave status or the denial of family and medical care leave, physical or mental disability (including HIV and AIDS), medical condition (including cancer and genetic characteristics), genetic information or any other basis protected by applicable federal, state and/or local laws, regulations, rules, ordinances and/or orders, failure to prevent harassment, discrimination, and/or retaliation, failure to accommodate, failure to engage in the interactive process, retaliation; (c) any whistleblower or retaliation claims on the basis of any protected activity or other protected basis; (d) breach of any express or implied promise, contract or agreement (express or implied), or breach of the implied covenant of good faith and fair dealing; (e) any tort or common law claims, including wrongful discharge, intentional or negligent infliction of emotional distress, negligence, fraud, misrepresentation, defamation, interference with prospective economic advantage, or other tort or common law actions; (f) claims for misclassification, wage and hour, or other claims related to hours, conditions, or compensation related to work; and (g) any other violation of local, state, or federal law, constitution, statute, regulation or ordinance, public policy, contract, or tort or common law claim, whether for legal or equitable relief, having any bearing whatsoever on the terms and conditions of employment, or association or working relationship, with any of the Released Parties, including but not limited to any allegations for penalties, interest, costs and fees, including attorneys' fees, incurred in any of these matters, which Plaintiff ever had, now has, or may have prior to the date of Plaintiff's execution of this Agreement. All such claims, liabilities or causes of action (including, without limitation, claims for related attorneys' fees and costs) are forever barred by this Agreement regardless of the forum in which they may be brought. The Parties intend for Plaintiff's General Release to be as broad as possible.

Plaintiff represents and acknowledges that the enhancement and general release payment contained herein shall constitute the entire consideration provided to Plaintiff and Plaintiff will not seek any further compensation for any claim, damage, cost, or attorney's fees in connection with the matters encompassed in the Agreement. Plaintiff represents and acknowledges that the enhancement and general release payment contained herein constitutes a full satisfaction and accord of any claims Plaintiff has or may have against any of the Released Parties. Plaintiff acknowledges the payment constitutes ample consideration, the sufficiency of which is hereby acknowledged, for Plaintiff's promises in this Agreement.

Section 1542 Waiver: Plaintiff stipulates and agrees that he expressly waives and relinquishes, to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

> **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.**

Plaintiff may hereafter discover facts in addition to or different from those he now knows or believes to be true with respect to the subject matter of the Release, but Plaintiff upon the Effective Date shall fully, finally, and forever settle and release any and all of the claims released pursuant to Plaintiff's General Release, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts.

Non-Waivable Rights: Plaintiff's General Release does not apply to any claims that cannot be released as a matter of law. The provisions of this Section 6.02 also do not preclude filing a charge or complaint with or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission ("EEOC"), the National Labor Relations Board ("NLRB"), the Occupational Safety and Health Administration ("OSHA"), or any other federal, state, or local agency charged with the enforcement of any employment laws, although Plaintiff understands that by signing this Agreement, he waives the right to recover any damages or to receive other relief directly from the Released Parties in any claim or suit brought by or through the EEOC, NLRB, OSHA or any other federal, state, or local agency on his behalf.

Article VII.

Miscellaneous Provisions.

Section 7.01 Voluntariness.

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm or other entity.

Section 7.02 Amendments.

The terms and provisions of this Agreement may be amended only by a written agreement that is both (a) signed by the Plaintiff, Plaintiff's Counsel, Defendant, and Defense Counsel who executed this Agreement and (b) approved by the Court. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated otherwise.

Section 7.03 No Modifications and Void *Ab Initio*.

This Agreement may not be changed, altered, or modified, except as provided for in this Agreement, in writing signed by the Parties hereto, and approved by the Court. If the Court does not enter an order granting approval of the Agreement, if the Court's approval of the settlement is reversed, if the Agreement is materially modified by the Court or on appellate review, or if the Effective Date does not occur, this Agreement shall be deemed Void *Ab Initio*. Void *Ab Initio* shall mean the Parties will be returned to the status quo prior to this Agreement being reach and it will be as if the Agreement was never entered into. If Void *Ab Initio*, the Agreement shall be of no force or effect whatsoever, it shall not be referred to or utilized for any purpose whatsoever, and the negotiation, terms and entry of the Agreement shall remain subject to the provisions of California Evidence Code Sections 1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable. A material modification shall have the same meaning as that term is used in California law regarding contracts. This Agreement may not be discharged except by performance in accordance with its terms

Section 7.04 Assignment.

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Aggrieved Employee, Plaintiff's Counsel, or Defense Counsel without the express written consent of each other Party and their respective counsel hereto. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement, and shall not be construed to confer any right or to avail any remedy to any other person. Plaintiff expressly warrants that she has not transferred to any person or entity any right or cause of action, or claim released by this Agreement.

Section 7.05 Governing Law.

This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, and shall in all cases be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties hereto.

Section 7.06 Entire Agreement.

This Agreement contains the entire understanding of the Parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings among the Parties hereto with respect to the settlement of the Litigation.

Section 7.07 Headings and Captions.

Paragraph titles or captions contained in the Agreement are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement, or any provision thereof.

Section 7.08 No Press Release or Publicity Regarding the Terms of the Settlement.

Plaintiff and Plaintiff's Counsel, as well as Defendant and Defendant's Counsel, agree that they will not issue any media or press release, initiate any contact with the media or the press, respond to any media or press inquiry, or have any communications with the media or the press about the fact, amount, or terms of this Agreement, except to (i) Aggrieved Employees, but only upon inquiry, and (ii) the Court and the LWDA, but only as necessary to obtain Court approval of the Settlement.

Section 7.09 Waiver of Compliance.

Any failure of any Party, Defense Counsel, and/or Plaintiff's Counsel hereto to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties and their respective counsel hereto entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 7.10 Counterparts.

This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

Section 7.11 Attorneys' Fees and Costs.

With respect to this Agreement, neither Plaintiff's Counsel nor any other attorneys acting for, or purporting to act for the Aggrieved Employees, or Plaintiff may recover or seek to recover any amounts for fees, costs, or disbursements from the Released Parties or the PAGA Gross Settlement Amount except as expressly provided herein. Defendant shall bear its own attorney's fees and costs, and neither Plaintiff's Counsel, Aggrieved Employees or the Plaintiff shall be responsible for Defendant's attorney's fees and costs. If any party moves the Court to enforce this Agreement, the prevailing party shall be entitled to recover from the other party all attorneys' fees and costs incurred to enforce this Agreement.

Section 7.12 Dispute(s).

Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, the Parties agree to submit any such dispute(s) to the Court. To the extent any Party seeks to enforce any of the terms of this Agreement in Court or before the Court, the prevailing party shall be entitled to recover his/their reasonable attorneys' fees and costs.

Section 7.13 Binding.

The Parties, by signing this Agreement, are bound by the terms herein. The Parties waive their rights to file an appeal, writ, or any challenge whatsoever to the terms of this Agreement. This Agreement shall bind and inure to the benefit of the Parties hereto and to their respective successors, assigns, legatees, heirs, and personal representatives.

Section 7.14 Court's Retention of Jurisdiction.

The Court shall retain jurisdiction, pursuant to Code of Civil Procedure section 664.6 and otherwise as permitted by law, to enforce this Settlement.

Section 7.15 Escalator Provision.

Defendant represents that there will be approximately 31 Aggrieved Employees who collectively worked approximately 793 pay periods during the PAGA Release Period. As such, the Parties agree that, should the total number of pay periods exceed this number by more than 10%, then the PAGA Settlement Gross Settlement Amount shall increase by $63.05 for each additional pay period above 793.

Section 7.16 Default; Notice; Cure; Acceleration; Time is of the Essence.

Time is of the essence with respect to all provisions of this Agreement. If Defendant fails to timely make any payment due hereunder, it shall be in default of its obligations. Plaintiff shall thereafter give notice of default and Defendant must cure said default within five (5) business days thereof. In the event of an uncured default, all unpaid amounts shall be accelerated and be all due and payable together with interest at the legal rate from the date of default.

IN WITNESS WHEREOF, the Parties have executed this Private Attorneys General Act Settlement Agreement on the date set forth.

APPROVED AND ACCEPTED.

Dated: May 14, 2024

SANTA MONICA BREW WORKS, LLC

By____________________
Its President & CEO
SCOTT FRANCIS

05 / 14 / 2024
Dated: May __, 2024

By____________________
WESLEY BEECHLER

APPROVED AS TO FORM AND
ATTORNEY OBLIGATIONS ONLY

Dated: May 14, 2024

GAINES & GAINES, ALPC

By: ______________________________
Daniel F. Gaines, Esq.
Alex P. Katofsky, Esq.
Attorneys for Plaintiff

Dated: May 14, 2024

WOLF, RIFKIN, SHAPIRO, SCHULMAN & RABKIN, LLP

By: ______________________________
Matthew Oster, Esq.
Julian Duarte, Esq.
Attorneys for Defendant

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

WESLEY BEECHER, on behalf of himself and all "aggrieved employees" pursuant to Labor Code § 2698 *et seq.*, Plaintiff, v. SANTA MONICA BREW WORKS, a California limited liability company, and DOES 1 through 10, inclusive, Defendants.	Case No. 23SMCV01768 **NOTICE OF SETTLEMENT OF PRIVATE ATTORNEYS GENERAL ACT CLAIM (CAL. LABOR CODE § 2698 *ET SEQ.*)**

You have been identified as an individual who currently and/or formerly worked for Defendant Santa Monica Brew Works, LLC ("Defendant") in California, as a non-exempt employee at any time between April 24, 2022 and May 5, 2024. ("Aggrieved Employee").

On April 24, 2023, Plaintiff Wesley Beechler (the "Plaintiff") commenced a lawsuit in the Superior Court of California, County of Los Angeles, Case Number 23SMCV01768 to recover civil penalties (the "Lawsuit"). Plaintiff alleges in the lawsuit that Defendant failed to: properly compute bonus, commission, and other non-base hourly wages earned by Aggrieved Employees into their regular rate of pay for purposes of paying them meal period premiums; pay correct premium wages to Aggrieved Employees who were routinely denied rest periods and not paid premium wages rest period premiums; pay correct premium wages to Aggrieved Employees who were routinely denied meal periods and not paid premium wages; provide accurate itemized wage statements; and timely pay wages upon separation of employment. For these alleged violations, Plaintiff seeks penalties pursuant to the California Labor Code's Private Attorneys General Act of 2004, codified at Labor Code § 2698 *et seq.* ("PAGA").

Defendant denies Plaintiff's allegations and disputes all of Plaintiff's claims. The Lawsuit was litigated and following an investigation, the Parties reached a settlement which takes into account the uncertainties and risks of proceeding with litigation.

The Court approved the settlement on ________________ and has determined that the settlement is fair and reasonable. The payment which accompanies this notice is made to you pursuant to the terms of the Settlement.

The Court-approved settlement contains the following release of claims, to which you are bound:

Upon the Court's approval of this PAGA Settlement, dismissal of the Action with prejudice, and subject to Defendant's full payment of the PAGA Gross Settlement Amount, all Aggrieved Employees will be deemed to have released the Released Parties of the Released PAGA Claims which arose during employment in a non-exempt position in California during the PAGA Release Period.

"Released Parties" means the named Defendant, together with its officers, directors, employees, members, member managers, owners, subsidiaries, affiliates and agents.

"Released PAGA Claims" are all PAGA claims that Plaintiff alleged against Defendant, on behalf of the Aggrieved Employees and the State of California, as stated in the operative Complaint and in the relevant LWDA notice letter, including all PAGA claims seeking civil penalties premised upon: (a) failure to properly compute bonus, commission, and other non-base hourly wages earned by Plaintiff and other Aggrieved Employees into their regular rate of pay for purposes of paying them meal period premiums, rest period premiums, overtime, and double-time wages, (b) failure to pay correct premium wages to Plaintiff and other Aggrieved Employees who were routinely denied rest periods and not paid premium wages, (c) failure to pay correct premium wages to Plaintiff and other Aggrieved Employees who were routinely denied meal periods and not paid premium wages, (d) failure to provide accurate itemized wage statements, (e) failure to timely pay wages upon separation of employment, and (f) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq. based on the facts or claims alleged in the operative Complaint. The Released PAGA Claims do not release any Aggrieved Employees' claims for wages or statutory penalties.

If you have any questions, please contact Gaines & Gaines, APLC, counsel for Plaintiff, at (866) 550-0855.