

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Vanessa Armesto, née Zendejas (“Plaintiff”) and Defendant Incredible Entertainment, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendant captioned *Zendejas v. Incredible Entertainment, Inc.*, initiated on September 28, 2023, and pending in the Superior Court of the State of California, County of Orange, Case No. 30-2023-01351823-CU-OE-CXC.
- 1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Approval Order” means the Court Order Granting Approval of PAGA Settlement.
- 1.5. “Court” means the Superior Court of California, County of Orange.
- 1.6. “Defendant” means Incredible Entertainment, Inc.
- 1.7. “Defense Counsel” means Thalia S. Rofos and Kenny T. Tran of O’Hagan Meyer LLP.
- 1.8. “Effective Date” is the later of the following: (a) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court enters an order approving the Settlement; (b) if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; or (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the settlement.
- 1.9. “Employee PAGA Amount” means 25% of the Net Settlement Amount.
- 1.10. “Gross Settlement Amount” means One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

- 1.11. “Individual PAGA Payment” means a PAGA Member’s pro rata share of 25% of the Employee PAGA Amount calculated according to the number of Pay Periods the PAGA Member worked during the PAGA Period.
- 1.12. “Judgment” means the judgment entered by the Court based upon the approval of the Settlement.
- 1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled under Labor Code section 2699, subd. (i).
- 1.14. “LWDA PAGA Payment” means 75% of the Net Settlement Amount.
- 1.15. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.
- 1.16. “PAGA Counsel” means Jill J. Parker and S. Emi Minne of Parker & Minne, LLP and Arby Aiwazian and Joanna Ghosh of Lawyers *for* Justice, PC, and all the lawyers of Lawyers *for* Justice, PC acting on behalf of Plaintiff, the State of California, and the PAGA Members in the Action.
- 1.17. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.18. “PAGA Members” means all current and former non-exempt and/or hourly-paid employees who worked for Defendant in the State of California at any time during the PAGA Period.
- 1.19. “PAGA Members List” means PAGA Member identifying information in Defendant’s possession including each PAGA Member’s: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee of Defendant in the State of California; (6) total Pay Periods during the PAGA Period; and (7) any other information required by the Administrator in order to effectuate the terms of the Settlement.
- 1.20. “PAGA Member Address Search” means the Administrator’s investigation and search for current PAGA Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with PAGA Members.
- 1.21. “PAGA Pay Period” means any Pay Period during which a PAGA Member worked for Defendant for at least one day during the PAGA Period.

- 1.22. “PAGA Period” means the period from July 25, 2022 through the date of the Approval Order by the Court approving this PAGA settlement.
- 1.23. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698 et seq.).
- 1.24. “PAGA Notice” means Plaintiff’s July 25, 2023, letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.25. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the PAGA Members and 75% to the LWDA in settlement of PAGA claims.
- 1.26. “Plaintiff” means Vannessa Armesto, the named plaintiff in the Action.
- 1.27. “Released PAGA Claims” means the claims being released by Plaintiff and the PAGA Members as described in Paragraph 5, below.
- 1.28. “Released Parties” means: Incredible Entertainment, Inc. and its past and present officers, directors, members, managers, and employees.
- 1.29. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.30. “Settlement Notice” means the cover letter to be mailed by the Administrator to each PAGA Member along with their Individual PAGA Payment check in substantially the form that is attached hereto as Exhibit A. The Administrator shall be responsible for providing a copy of the Settlement Notice in both English and Spanish.

2. RECITALS.

- 2.1. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.2. On September 28, 2023, Plaintiff commenced this Action by filing the Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698 et sq. (the “Complaint”), alleging a single cause of action under PAGA against Defendant for violations of: (1) California Labor Code sections 510 and 1198 (failure to pay overtime); (2) California Labor Code sections 226.7 and 512(a) (failure to provide compliant meal periods and associated premiums); (3) California Labor Code section 226.7 (failure to provide rest periods and associated premiums); (4) California Labor Code sections 1194, 1197, and 1197.1 (failure to pay minimum wages); (5) California Labor Code sections 201-203 (failure to timely pay final wages); (6) California Labor Code section 204 (failure to timely pay wages during employment); (7) California Labor Code section 226(a) (failure to provide accurate wage statements); (8) California Labor Code section 1174(d) (failure to keep requisite payroll records); and (9) California Labor Code sections 2800 and 2802 (failure to reimburse necessary business expenses).

- 2.3. On August 12, 2024, the Parties participated in an all-day mediation presided over by Monique Ngo-Bonnici, Esq.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, documents produced by Defendant which included a sampling of timekeeping records and payroll information for the PAGA Members; Defendant's policies related to Plaintiff's claims; and Plaintiff's personnel file. After the mediation, Plaintiff obtained, through formal and/or informal discovery, additional documentation and information regarding Plaintiff's and the PAGA Members' wage-and-hour claims, as well as documents and information regarding Defendant's financial condition. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.5. The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadlines stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring PAGA Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:
- 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be Fifty Thousand Dollars and Zero Cents (\$50,000.00), and a PAGA Counsel Litigation Expenses Payment of not more than Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for the PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability

to PAGA Counsel or any other plaintiff's counsel arising from any claim to any portion of any PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.2. To the Administrator: An Administration Expenses Payment not to exceed \$10,000.00, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.3. To the LWDA and PAGA Members: The Net Settlement Amount, which is the Gross Settlement Amount less the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment, is the amount of PAGA Penalties to be paid to the LWDA and to the PAGA Members, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Employee PAGA Amount.
 - 3.2.3.1. The Administrator will calculate each Individual PAGA Payment by: (a) dividing the Employee PAGA Amount by the total number of PAGA Pay Periods worked by all PAGA Members during the PAGA Period, and (b) multiplying the result by each PAGA Member's PAGA Pay Periods. PAGA Members assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
 - 3.2.3.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. PAGA Member Pay Periods. As of the date of the mediation, Defendant estimated there are 844 PAGA Members who worked a total of 14,747 PAGA Pay Periods.
- 4.2. PAGA Members List. Within twenty-one (21) days of the Effective date, Defendant will deliver the PAGA Members List to the Administrator in the form of a Microsoft Excel spreadsheet. To protect PAGA Members' privacy rights, the Administrator must maintain the PAGA Members List in confidence, use the PAGA Members List only for purposes of this Settlement and for no other purpose, and restrict access to the PAGA Members List to Administrator employees who need access to the PAGA Members List to effect and perform under this Agreement. Notwithstanding this provision, PAGA Counsel shall also receive redacted data that shall only disclose an identification number attributed to each PAGA Member and their associated PAGA Pay Periods. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the

PAGA Members List omitted employee identifying information and to provide corrected or updated PAGA Members' information as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the PAGA Members List to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted PAGA Members.

- 4.3. Funding of Gross Settlement Amount. Defendant shall fund the Gross Settlement Amount in twenty-four (24) equal monthly installments of Six Thousand Two Hundred Fifty Dollars and Zero Cents (\$6,250.00). Defendant shall make the first installment payment no later than ninety (90) days after the Effective Date. The remaining installment payments shall be made every thirty (30) days thereafter until the Gross Settlement Amount has been fully funded. Should Defendant fail to fund the Gross Settlement Amount within the deadlines to do so pursuant to this paragraph, Plaintiff, after providing notice to Defendant and to Defendant's Counsel, and a cure period of 35 days, may apply *ex parte* or move by regularly scheduled motion to have the Stipulation for Entry of Judgment or in the Alternative to Vacate Approval Order and Judgment attached hereto as Exhibit B made and entered in this case in favor of Plaintiff and the PAGA Members against Defendant in the amount of One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00), less any amounts already paid pursuant to the Settlement Agreement, plus pre-judgment interest on the amount due at the legal rate, post-judgment interest at the legal rate, and attorneys' fees and costs incurred in the enforcement and collection of the Judgment. In the alternative, Plaintiff may move by regularly scheduled motion to vacate the Approval Order and Judgment previously entered by the Court.
- 4.4 Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant funds an amount sufficient to fully fund the Employee PAGA Amount (currently estimated to occur upon funding of the third installment payment), the Administrator will mail checks for all Individual PAGA Payments to PAGA Members. Within fourteen (14) days of the twenty-fourth (24th) and final installment payment, the Administrator will mail checks for the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.
- 4.3.1. The Administrator will issue checks for the Individual PAGA Payments, along with the Settlement Notice, and send them to the PAGA Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.3.2. The Administrator must conduct a PAGA Member Address Search for all PAGA Members whose checks are returned undelivered without a USPS forwarding

address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the PAGA Member Address Search. The Administrator need not take further steps to deliver checks to PAGA Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any PAGA Member whose original check was lost or misplaced, if requested by the PAGA Member prior to the void date.

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

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

5. RELEASE OF CLAIMS. Upon the Effective Date and the date that Defendant fully funds the entire Gross Settlement Amount, Plaintiff and the PAGA Members will release claims against all Released Parties as follows:

Plaintiff and all PAGA Members are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and all claims under the California Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698 et seq., for the recovery of civil penalties, attorneys' fees, and costs, which Plaintiff and/or the PAGA Members had, or may claim to have, against Defendant, arising out of the violations alleged in the Complaint or the PAGA Notice, or which reasonably could have been alleged based on the facts and legal theories contained in the Complaint or the PAGA Notice, including, but not limited to, claims for alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001. This release specifically excludes Plaintiff's individual claims that do not arise under PAGA, including but not limited to, Plaintiff's individual claims for unpaid minimum wages, unpaid overtime wages, meal period violations, rest period violations, failure to timely pay wages upon termination, failure to reimburse business expenses, wage statement violations, and claims for wrongful termination, which are the subject of a separate Settlement Agreement and General Release.

6. MOTION FOR APPLICATION FOR APPROVAL OF SETTLEMENT.

6.1 Plaintiff's and PAGA Counsel's Responsibilities. Plaintiff will prepare and submit

for filing with the Court all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (s)(2)) including: (i) a proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of PAGA Members List; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with PAGA Members or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel, or Defense Counsel; (iii) a signed declaration from PAGA Counsel attesting to their timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with the PAGA Members and/or the Administrator. In their declarations, PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. PAGA Counsel is responsible for delivering the Court’s Approval Order to the Administrator.

- 6.2 Duty to Cooperate. Defendant agrees that it will not oppose Plaintiff’s motion for approval of the Settlement as long as it is in conformity with the Settlement Agreement, nor shall it seek to delay the hearing on this motion for more than thirty (30) days from the date selected by Plaintiff. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

7. SETTLEMENT ADMINISTRATION.

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

be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.

Based on its records, Defendant estimated that, as of the date of the mediation (1) there were 844 PAGA Members who worked 14,747 Pay Periods during the PAGA Period. Should the qualifying Pay Periods worked by the Aggrieved Employees during the PAGA Period ultimately increase by more than 10% (i.e., by more than 1,474.7 Pay Periods), Defendant shall have the option to either: (1) increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Pay Periods worked by the PAGA Members above 10% (for example, if the number of Pay Periods increases by 11% to 16,369.17 Pay Periods, the Gross Settlement Amount will increase by 1%), or (2) shorten the PAGA Period to a date just before the Pay Periods threshold is exceeded.

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

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

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the

Settlement and this Agreement).

- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement and submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court. After this Agreement has been submitted to the Court in connection with seeking approval of the Settlement, it may not be changed, altered, or modified, except in a writing signed by the counsel for the Parties, subject to approval by the Court. Notwithstanding the forgoing, the Parties agree that any dates contained or contemplated in this Agreement may be modified by agreement of counsel for the Parties in writing without approval by the Court if the Parties agree and cause exists for such modification.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Use and Return of PAGA Members List. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Members List provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out all Settlement funds, Plaintiff shall destroy all paper and electronic versions of the PAGA Members List received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destruction, of the PAGA Members List. Notwithstanding this provision, PAGA Counsel is entitled to retain an archival copy of all pleadings, motion papers, deposition transcripts, hearing transcripts, legal memoranda, correspondence, expert reports, attorney work product, and consultant and expert work product.
- 10.13 Neutral Employment Reference. Defendant agrees that it will adopt a neutral reporting policy regarding any future employment references related to Plaintiff. In the event that any potential or future employers of Plaintiff request a reference regarding Defendant's employment of Plaintiff, Defendant shall only provide Plaintiff's dates of employment and job titles during employment. Defendant shall not refer to the Action or this Settlement.
- 10.14 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.15 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

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

To Plaintiff:

Jill J. Parker
jill@parkerminne.com
S. Emi Minne
emi@parkerminne.com
Parker & Minne, LLP
700 S. Flower Street, Suite 1000
Los Angeles, California 90017

Arby Aiwarzian
arby@calljustice.com
Joanna Ghosh
joanna@calljustice.com
Lawyers *for* Justice, PC
450 North Brand Blvd., Suite 900
Glendale, California 91203

To Defendant:

Thalia S. Rofos
trofos@ohaganmeyer.com
Kenny T. Tran
ktran@ohaganmeyer.com
O'Hagan Meyer LLP
4695 MacArthur Ct., Suite 900
Newport Beach, California 92660

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

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

IT IS SO AGREED:

Date: 08/23/2025



Vannessa Zendejas (Aug 23, 2025 12:08:13 PDT)

Vannessa Armesto, Plaintiff

Date: Sep 4, 2025



Peter Rosati (Sep 4, 2025 16:34:08 PDT)

Incredible Entertainment, Inc., Defendant

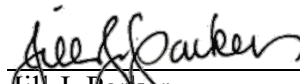
Name: ~~Keba Parker~~ Peter Rosati

Position: Director of Human Resources

APPROVED AS TO FORM:

Date: August 25, 2025

PARKER & MINNE, LLP



Jill J. Parker

Attorneys for Plaintiff Vannessa Armesto

Date: September 4, 2025

O'HAGAN MEYER LLP



Thalia S. Rofos

Kenny T. Tran

Attorneys for Defendant Incredible
Entertainment, Inc.

EXHIBIT A

NOTICE OF REPRESENTATIVE PAGA ACTION SETTLEMENT

Zendejas v. Incredible Entertainment, Inc., et al.

Orange County Superior Court Case No. 30-2023-01351823-CU-OE-CXC

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You are eligible to receive money from a lawsuit brought pursuant to the Labor Code Private Attorneys General Act of 2004, California Labor Code §§ 2698, et seq. ("PAGA") against Incredible Entertainment, Inc. ("Defendant") for alleged wage and hour violations. On July 25, 2023, a former employee, Vannessa Armesto ("Plaintiff") provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that she contends were violated (the "PAGA Notice"). On September 28, 2023, Plaintiff filed the Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, et seq. (the "Complaint") in the action entitled *Zendejas v. Incredible Entertainment, Inc.*, Orange County Superior Court Case No. 30-2023-01351823-CU-OE-CXC (the "Action"). Plaintiff seeks payment of civil penalties under PAGA for all current and former non-exempt and/or hourly-paid employees who worked for Defendant in the State of California at any time during the PAGA Period (July 25, 2022 to July 16, 2025) ("PAGA Members").

SUMMARY OF THE SETTLEMENT

I. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action alleges that Defendant violated California labor laws by failing to pay all minimum and overtime wages due, failing to timely pay wages due upon termination, failing to timely pay wages due during employment, failing to provide meal and rest periods, failing to issue accurate itemized wage statements, and failing to maintain required payroll records. Based on these claims, Plaintiff seeks civil penalties under PAGA. Plaintiff is represented by attorneys in the Action ("PAGA Counsel"):

Arby Aiwarzian, Esq.
Joanna Ghosh, Esq.
LAWYERS for JUSTICE, PC
450 North Brand Blvd., Suite 900
Glendale, California 91203
Telephone: (818) 265-1020

Jill J. Parker, Esq.
S. Emi Minne, Esq.
PARKER & MINNE, LLP
700 S. Flower Street, Suite 1000
Los Angeles, California 90017
Telephone: (310) 882-6833

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

II. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that the Court has approved. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does

not admit any violations or concede the merit of any claims.

III. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$150,000.00 as the Gross Settlement Amount (“Gross Settlement”). Defendant will deposit the Gross Settlement into an account controlled by the Administrator of the Settlement by way of 24 monthly installments over the course of 2 years. The Administrator is using the Gross Settlement to pay the Individual PAGA Payments, PAGA Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to the LWDA. The Court entered Judgment on [insert date].
2. Court Approved Deductions from Gross Settlement. The Court has approved the following deductions from the Gross Settlement:
 - A. \$50,000.00 (one-third of the Gross Settlement) to PAGA Counsel for attorneys’ fees and \$[insert amount of approved costs, not to exceed \$25,000.00] for their litigation expenses. To date, PAGA Counsel have worked and incurred expenses on the Action without payment.
 - B. [Insert amount of approved administration costs, not to exceed \$10,000.00] to the Administrator for services administering the Settlement.
3. Net Settlement Distributed to LWDA and to PAGA Members. After making the above deductions in the amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) to the LWDA and the PAGA Members as follows: 75% to the LWDA and 25% in Individual PAGA Payments to the PAGA Members based on their PAGA Pay Periods.
4. Designation of Individual PAGA Payments as Penalties. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

Although Plaintiff and Defendant have agreed to this allocation, neither side is giving you any advice on whether your Payment is taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name.

If the monies represented by your check are sent to the Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. You cannot opt-out of the the Settlement. All PAGA Members are required to give up their right to assert PAGA claims against Defendant based on the facts alleged in the Complaint and the PAGA Notice during the PAGA Period (July 25, 2022 to July 16, 2025).
7. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the

“Administrator”) to send this Notice and to calculate and make payments. The Administrator will also mail and re-mail Settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is as follows:

Name of Settlement Administrator Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

8. PAGA Members’ PAGA Release. Upon the Effective Date and the date when Defendant fully funded the entire Gross Settlement Amount, all PAGA Members are barred from asserting PAGA claims against Defendant that were asserted in the Complaint and the PAGA Notice and which arose during the PAGA Period. This means that all PAGA Members cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The PAGA Members’ Release is as follows:

All PAGA Members are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and all claims under the California Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698 et seq., for the recovery of civil penalties, attorneys’ fees, and costs, which Plaintiff and/or the PAGA Members had, or may claim to have, against Defendant, arising out of the violations alleged in the Complaint or the PAGA Notice, or which reasonably could have been alleged based on the facts and legal theories contained in the Complaint or the PAGA Notice, including, but not limited to, claims for alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, including inter alia, Wage Orders 4-2001 and 5-2001.

The “Released Parties” are defined as Incredible Entertainment, Inc. and its past and present officers, directors, members, managers, and employees.

IV. HOW DID THE ADMINISTRATOR CALCULATE MY PAYMENT?

The Administrator calculated Individual PAGA Payments by: (a) dividing 25% of the Net Settlement Amount by the total number of PAGA Pay Periods worked by all PAGA Members and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual PAGA Member.

According to Defendant’s records, during the period **from July 25, 2022 to July 16, 2025 (i.e., the PAGA Period)** you worked for Defendant as an hourly-paid or non-exempt employee in California for approximately [] Pay Periods.

Under the terms of the Settlement, your Individual PAGA Payment is \$ [].

V. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment, or any other Settlement documents is to go to the Administrator's website at [REDACTED]. You can also telephone or send an email to PAGA Counsel or the Administrator using the contact information listed herein. Alternatively, you may also view the Settlement Agreement and documents filed in the Action for a fee by visiting the Court, at 751 West Santa Ana Boulevard, Santa Ana, California 92701 or 700 Civic Center Drive West, Santa Ana, California 92701, during business hours, or online by visiting the following website: <https://www.occourts.org/online-services/case-access>, clicking "Access Now" next to "Civil Case & Document Access", clicking "Accept Terms" on the following page, and then typing in the Case Number "30-2023-01351823" in the search field.

**DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION
ABOUT THE SETTLEMENT.**

VI. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

EXHIBIT B

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Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

VANNESSA ZENDEJAS, individually, and
on behalf of other aggrieved employees
pursuant to the California Private Attorneys
General Act;

Plaintiff,

vs.

INCREDIBLE ENTERTAINMENT, INC., a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No. 30-2023-01351823-CU-OE-CXC

Honorable David A. Hoffer
Department CX103

CLASS ACTION

**STIPULATION FOR ENTRY OF
JUDGMENT OR IN THE ALTERNATIVE
TO VACATE APPROVAL ORDER AND
JUDGMENT**

Complaint Filed: September 28, 2023
Jury Trial Date: None Set

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1 Defendant at the time the Notice of Default is issued, this shall not be grounds to invalidate the
2 issuance of the Notice of Default. Defendant may notify Plaintiff of a change of address for
3 Defendant's corporate headquarters or of a change in its attorney by providing written notice to
4 Plaintiff's counsel, sent by certified mail, as follows: Parker & Minne, LLP at 700 S. Flower
5 Street, Suite 1000, Los Angeles, California 90017 (attention Jill J. Parker) and separately to
6 Lawyers *for* Justice at 450 North Brand Blvd., Suite 900, Glendale, California 91203 (attention
7 Joanna Ghosh). Defendant shall have thirty-five (35) days from the date of the mailing of the
8 Notice of Default to cure the default.

9 **WHEREAS**, if Defendant fails to cure its default, Plaintiff may apply *ex parte* or move
10 by regularly scheduled motion to have this Stipulation for Entry of Judgment entered in this case
11 in favor of Plaintiff and the PAGA Members against Defendant in the amount of the installment
12 payment past due, plus pre-judgment interest on the amount due at the legal rate, post-judgment
13 interest at the legal rate, and reasonable attorneys' fees and costs incurred in the enforcement and
14 collection of the Judgment, or in the alternative, may move by regularly scheduled motion to
15 vacate the Final Approval Order and Judgment previously entered by the Court.

16 **WHEREAS**, the Parties agree that this Court shall retain jurisdiction over the Parties
17 under Rule 3.769(h) of the California Rules of Court and Code of Civil Procedure section 664.6;

18 **WHEREAS**, as a condition of settlement, Defendant agrees to execute this Stipulation
19 for Entry of Judgment for filing with the Court in the instance of an uncured default; and

20 **WHEREAS**, such Judgment shall be entered upon successful motion by any Judge or
21 Commissioner in the Superior Court for the State of California, County of Orange.

22 **IT IS SO STIPULATED.**

23 ///

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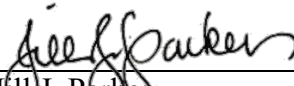
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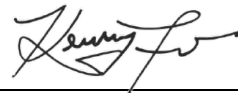
1 Dated: August 25, 2025

PARKER & MINNE, LLP

2
3 By: 
4 Jill J. Parker
Attorneys for Plaintiff

5 Dated: September 4, 2025

O'HAGAN MEYER LLP

6
7 By: 
8 Thalia S. Rofos
9 Kenny T. Tran
Attorneys for Defendant

2025 08 23 Zendejas - PAGA Settlement Agreement (Signed by P)

Final Audit Report

2025-09-04

Created:	2025-09-04
By:	Kenny Tran (ktran@ohaganmeyer.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAt3uMXIijkMYe4TJYpzYuxDpzD6BWe4w

"2025 08 23 Zendejas - PAGA Settlement Agreement (Signed by P)" History

-  Document created by Kenny Tran (ktran@ohaganmeyer.com)
2025-09-04 - 11:00:05 PM GMT
-  Document emailed to prosati@johnspizza.com for signature
2025-09-04 - 11:00:43 PM GMT
-  Email viewed by prosati@johnspizza.com
2025-09-04 - 11:33:12 PM GMT
-  Signer prosati@johnspizza.com entered name at signing as Peter Rosati
2025-09-04 - 11:34:06 PM GMT
-  Document e-signed by Peter Rosati (prosati@johnspizza.com)
Signature Date: 2025-09-04 - 11:34:08 PM GMT - Time Source: server
-  Agreement completed.
2025-09-04 - 11:34:08 PM GMT