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Attorneys for Plaintiffs
Sun Ae Chung, individually and in a representative capacity on behalf of other members of the general public similarly situated,

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

SUN AE CHUNG, individually and in a representative capacity on behalf of other members of the general public similarly situated,

Plaintiff,

v.

SUSHI KAMI, INC., a California Corporation; CHUNG SOOK, an individual; and DOES 1 through 25, inclusive,

Defendant(s).

Case No. 37-2023-00047861-CU-OE-CTL

DECLARATION OF KATHERINE KREBS IN SUPPORT OF PLAINTIFF'S *UNOPPOSED* MOTION FOR PAGA SETTLEMENT APPROVAL

Hearing Date: September 19, 2025
Hearing Time: 8:30 a.m.
Dept.: C-74
Judge: Hon. Blaine K. Bowman

I, KATHERINE KREBS, declare:

1. I am an attorney licensed to practice law before all the courts of the State of California, and am employed with the law firm of Gruenberg Law, attorneys of record for PLAINTIFF SUN AE CHUNG, individually and in a representative capacity on behalf of other members of the public similarly situated in this matter.
2. I make this declaration in support of Plaintiff's Unopposed Motion for PAGA Settlement Approval. I am personally familiar with the facts set forth in this declaration and, if called to testify, could and would do so.
3. This case involves PAGA and individual claims. The PAGA Period begins on October 8, 2022. There are approximately **1056** pay periods and **30** aggrieved employees
4. After several months of pre-filing investigation and following lengthy settlement discussions, the parties agreed to the terms of the proposed PAGA settlement. The parties have drafted and executed a formal PAGA Settlement Agreement Attached hereto as **Exhibit A** is a true and correct copy of the Settlement Agreement.
5. On March 21, 2025, Plaintiffs' counsel uploaded via the LWDA's electronic filing portal the parties' Settlement Agreement. Attached hereto as **Exhibit B** is a true and correct copy of the "auto-generated" e-mail received from the LWDA.
6. On March 21, 2025, Plaintiffs' counsel uploaded via the LWDA's electronic filing portal copies of this entire Motion, including the Notice, this supporting Memorandum, Declaration, Proposed Order & Judgment, and PAGA Settlement Agreement. Attached hereto as **Exhibit C** is a true and correct copy of the "auto-generated" e-mail received from the LWDA.
7. If the LWDA contacts Plaintiffs' counsel at any time prior to the September 19, 2025, hearing, Plaintiffs' counsel will provide an updated declaration to the Court.
8. The proposed terms of the settlement are as follows:
   a. PAGA Members: 30
   b. Settlement Fund ("GSA"): $20,000.00
   c. Claims Period: October 8, 2022 until the date of approval
   d. LWDA Payment: $3,643.75

e. Attorney's Fees: $6,666.67

f. Litigations Costs: $6,000.00

g. Third Party Administrator: $2,475.00

h. Resultant Net Settlement Fund: $1,214.58

An "average" PAGA employee will receive a payment of approximately **$40.49.**

9. There are no restrictions for any of the 30 employees to file individual actions, as the PAGA Settlement Agreement only covers PAGA claims.

10. The Parties reached the terms of their proposed PAGA Settlement Agreement, following the exchange of extensive information and employment records. The Parties submit the proposed settlement of PAGA penalties is fair, adequate, and reasonable. The Parties are unaware of any other cases that may be impacted by the PAGA Settlement.

11. After deducting the proposed amounts for Plaintiffs' counsel's Attorneys' Fees and Costs, and the Settlement Administration Costs, from the Gross Settlement Amount, the amount remaining is defined as the "PAGA Payment." One hundred percent (100%) of the PAGA Payment shall be allocated to the payment of civil penalties under the PAGA (the "PAGA Payment"). Pursuant to the PAGA, seventy-five percent (75%) of the PAGA Payment, or $3,643.75 shall be allocated to the State of California Labor and Workforce Development Agency (the "LWDA PAGA Payment"), with the remaining twenty-five percent (25%) or $1,214.58 allocated to the PAGA Employees ("Aggrieved Employees PAGA Payments").

12. Attached as **Exhibit D** is a true and correct copy of the proposed notice of the PAGA Settlement to be sent to the allegedly aggrieved employees.

13. The Settlement Administrator shall be responsible for: (a) processing the data provided by Defendant to be used in calculating PAGA Employees' Individual PAGA Payments; (b) preparing, printing and mailing the Notice to PAGA Employees, as well as following up with reasonable skip tracing; (c) calculating and mailing Individual PAGA Payments to PAGA Employees; (d) calculating and paying the employer's share of the applicable federal and state withholding tax; (e) filing any required federal and state tax forms and related agency reporting;

(f) filing any required reports with the Court; and (g) any and all such tasks to which the Parties mutually agree, or which the Court orders the Settlement Administrator to perform.

14. The instant request is based on the fact that (1) the PAGA Period "cutoff date" is contingent on Court approval, any delay diminishes the amounts received by the impacted employees; (2) Notice to certain ex-employees may be adversely impacted by further delay (i.e. ex-employees may change their mailing address without filing a proper "forwarding address").
15. An expedient approval of this settlement will provide a direct benefit to the impacted employees at issue. The "fixes" provide a guarantee of future Labor Code compliance, and an immediate monetary benefit. It also allows Defendants (who admirably "stepped up" to address these issues) the opportunity to move on, and focus on future business.
16. One of the main issues of this litigation concerned allegations that Plaintiff was denied legally compliant meal and rest periods and was not paid for all overtime hours worked.
17. Investigations completed by Plaintiff's counsel revealed that Defendant's timekeeping policies and employee records were not in compliance with California law, but Defendant disputes this claim. However, these investigations also revealed that the "rate of violation" by Defendant was significantly less than 100%. On many of those occasions, it appears that Defendant did, in fact, comply with the law.
18. Based on the above, the maximum liability in a case of this type would be in the range of $40,000.00 to $100,000.00.
19. Plaintiffs' counsel is aware of the Court's discretion to mitigate penalties pursuant to California Labor Code section 2699(e)(2).
20. Plaintiffs' counsel agrees with the provision of the Labor Code, that penalties should be mitigated where violations are minimal (or rare), or where the employer makes significant efforts to comply with the Labor Code.
21. The parties agree that, given the number of violations at issue here, that this settlement represents a fair and adequate payment.
22. Defendant, and its counsel, deserve credit for their willingness to consider – and address – the allegations. Specifically, Defense Counsel, (who have extensive experience and knowledge and

"Wage and Hour" litigation) agreed to produce a substantial amount of documents and information necessary to evaluate the parameters of settlement. Following month-long informal negotiation at arms length, the parties have reached a proposed settlement. That includes a payment of penalties under PAGA.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed 28th day of April 2025, in San Diego California.

By: ______________________________

Katherine Krebs

GRUENBERG LAW
2155 FIRST AVENUE
SAN DIEGO, CALIFORNIA, 92101-2013

EXHIBIT A

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (hereinafter "Settlement Agreement," "Settlement," or "Agreement") is made and entered into between Plaintiff, Sun Ae Chung ("Plaintiff") for herself and on behalf of the State of California acting in a private attorney general capacity (hereinafter "Plaintiff") and Sushi Kami, Inc. ("Defendant"). Plaintiff and Defendants are collectively referred to herein as the "Parties" and may be individually referred to as a "Party."

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. "Action" means the matter entitled *Chung v. Sushi Kami, Inc. et. al.*, filed by Plaintiff on November 2, 2023 in the Superior Court of California, County of San Diego and as set forth in Plaintiff's August 29, 2023 correspondence to the Private Attorneys General Act ("PAGA") Administrator of the California Labor and Workforce Development Agency (hereinafter "LWDA Letter").

2. "Administrator" means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

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.

4. "Aggrieved Employee" means a person employed by Sushi Kami, Inc. ("Sushi Kami") in California and classified as a non-exempt hourly employee who worked for Sushi Kami during the PAGA Period.

5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Sushi Kami's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee 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 Aggrieved Employees.

7. “Defendant” means Sushi Kami, Inc. and its past, present, and future officers, directors, employees, board members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees), customers, partners, investors, shareholders, members, representatives, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, agents, and principals, and their heirs, estates, executors, administrators, servants, insurers, attorneys, and assigns (collectively, “Released Parties”).

8. “Court” means the Superior Court of California for the County of San Diego.

9. “Effective Date” means the date by when the Court enters an Order Approving the PAGA Settlement.

10. “Gross Settlement Amount” means the sum of Twenty Thousand Dollars and Zero Cents ($20,000.00), which represents the maximum total amount payable under this Settlement Agreement by Defendant, including, without limitation, attorneys’ fees, costs, and the recovery by the eligible employees for the PAGA Payment (as defined above).

11. “Individual PAGA Payment” means the amount to be paid to each of the Participating Aggrieved Employees from the 25% of the PAGA Penalties apportioned to them, such individual share to be based on the number of Pay Periods worked during the PAGA Period.

12. “Final Order” means the order entered by the Court granting Final Approval of the settlement.

13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

14. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

15. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Representative Enhancement Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder will constitute the PAGA Penalties, as defined below.

16. “PAGA Counsel” means Joshua Gruenberg, Esq. and Katherine Dishongh, Esq. of Gruenberg Law, the attorneys representing the Plaintiff in the Action.

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.

18. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Sushi Kami for at least one day during the PAGA Period.

19. “PAGA Period” means the period from October 8, 2022 to through the earlier of court approval of the settlement or 60 days from full execution of this Settlement Agreement.

20. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

21. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Participating Aggrieved Employees and 75% to LWDA in settlement of PAGA claims.

22. "PAGA Released Claims" with respect to the State of California and the Aggrieved Employees (other than Plaintiff) means penalties related to wage and hour claims, rights, demands, liabilities and causes of action, whether known or unknown, arising during the PAGA Period, that were asserted or could have been asserted in the Action against Defendant based on the facts alleged or ascertained during the pendency of the Action, under federal and state laws, including statutory, or common law claims for wages, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, equitable relief or other relief under Business & Professions Code section 17200, et seq. based on the alleged Labor Code violations, including, without limitations, the following categories: (a) any and all claims involving any alleged failure to pay overtime wages; (b) any and all claims involving any alleged failure to pay minimum wage; (c) any and all claims involving any alleged failure to pay employees for all hours worked, including but not limited to any claim for minimum, straight time, or overtime wages; (d) any and all claims involving any alleged failure to keep accurate records or to issue proper wage statements to employees; (e) any and all claims involving any alleged failure to timely pay wages, including but not limited to any claim that Defendant violated Labor Code sections 201, 202, or 204, and any claim for waiting time penalties under Labor Code section 203; (g) any and all claims involving any alleged failure to provide meal or rest breaks or pay premiums in lieu of breaks; (h) any and all claims involving any alleged failure to reimburse under Labor Code section 2802; and (i) any and all penalties pursuant to the Private Attorneys General Act ("PAGA") of 2004 arising out of any or all of the aforementioned claims. The PAGA Released Claims include all such claims arising under the California Labor Code including, but not limited to, sections 201-203, 226, 226.3, 226.7, 510, 558, 512, 1174, 1174.5, 1175, 1194, 1197, 1197.1, and 2698 *et seq.*, applicable Industrial Welfare Commission Wage Orders and California Code of Regulations, Title 8, section 11000 *et seq*. This release excludes the release of claims not permitted by law. The PAGA Released Claims expressly exclude all PAGA claims outside the PAGA Period.

II. RECITALS

1. Plaintiff is a former employee of Defendant Sushi Kami. Plaintiff was employed by Defendant Sushi Kami during the PAGA Period.

2. On August 29, 2023, Plaintiff sent her LWDA Letter asserting claims for civil penalties pursuant to PAGA stemming from Defendant's alleged: Failure to Pay Minimum Wages; Failure to Pay Wages and Overtime; Failure to Provide Meal Periods or Meal Period Premiums; Failure to Provide Rest Periods of Rest Period Premiums; Failure to Issue Accurate and Itemized Wage Statements; and Waiting Time Penalties for Failure to Pay Wages When Employment Ends.

3. On December 12, 2023, Plaintiff filed a PAGA action lawsuit, *Chung v. Sushi Kami, Inc. et. al.,* Case No. 37-2023-00047861-CU-OE-CTL in San Diego Superior Court asserting, individually and under the Private Attorney's General Act (PAGA), claims of (1) Minimum Wage Violations, (2) Overtime Violations, (3) Wage Statement Violations, (4) Meal and Rest Period Violations, (5) Failure to Timely Pay Wages, and (6) Failure to Pay Wages Upon Separation (the "Action").

4. The Parties engaged in discovery, exchanging information, documents and reviewing and analyzing extensive data made available by Defendant which enabled the parties to thoroughly evaluate Plaintiff's claims, the claims of the Aggrieved Employees, Defendant' defenses, and the likely outcomes, risks and expense of pursuing litigation.

5. Over several months of negotiations, the Parties were able to agree to settle the claims.

6. The Parties agree a bona fide dispute exists as to whether any amount of penalties are due from Defendant to any California employees, including Plaintiff, and to the California Labor and Workforce Development Agency ("LWDA") and/or to any allegedly aggrieved employees.

7. Based on the discovery exchanged as well as their own independent investigation and evaluation, the Parties have considered the claims asserted by Plaintiff, the defenses asserted by Defendant, the risks associated with the continued prosecution of the Action, the cost of continued litigation through trial and appeals, and after considering all the circumstances, the Parties have concluded that the proposed settlement set forth in this Agreement is fair, adequate, and reasonable.

8. The Parties intend to fully and finally resolve the PAGA Released Claims as to Plaintiff and the Aggrieved Employees.

9. The Parties further agree that the Agreement, the fact of this Settlement, any of the terms of this Agreement, and any documents filed in connection with the Settlement shall not constitute, or be offered, received, claimed, construed, or deemed as an admission, finding, or evidence of: (i) any wrongdoing by any Released Parties, (ii) any violation of any statute or law by Released Parties, (iii) any liability on the claims or allegations in the Action on the part of any Released Parties, (iv) any waiver of Defendant's right to arbitration or the enforceability of any arbitration agreement, or (v) the propriety of certifying a litigation class or collective (conditionally or otherwise) or pursuing representative relief under the PAGA in the Action or any other civil or administrative proceeding; and this Agreement shall not be used by any person or entity for any purpose whatsoever in any administrative or legal proceeding, including but not limited to arbitrations, other than a proceeding to enforce the terms of the Agreement.

10. Within 30 days of full execution of this Settlement Agreement by all Parties and their counsel, Plaintiff will file the Motion for Approval of the PAGA Settlement, as further addressed herein.

11. NOW, THEREFORE, IT IS HEREBY CONSENTED TO, AND AGREED, by Plaintiff for himself and on behalf of the State of California and aggrieved employees and by Defendant, that, subject to the approval of the Court and the LWDA, the Action shall be settled, compromised, and dismissed, on the merits and with prejudice, and the Released Claims shall be finally and fully compromised, settled and dismissed as to the Released Parties, in the manner and upon the terms and conditions hereafter set forth in this Agreement.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission**. Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that the PAGA claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, the Aggrieved Employees, or any other person, and Defendant specifically disclaim any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Settlement Amount**. Defendant shall pay the maximum Settlement Amount of Twenty Thousand Dollars and Zero Cents ($20,000.00) which is due from Defendant to be paid in two annual installments. The first annual install payment of $10,000 ("First Annual Installment") shall be due fifteen (15) days after the Court enters approval of the settlement; the second and final $10,000 payment ("Second Annual Installment") shall be due one year after the first payment, with any dates falling on a weekend or holiday to be due the first business day, following the date for payment. The Settlement Payment shall be allocated as follows:

a. Administrator fees of $2,475.00 (to be paid with the first annual installment)

b. The remaining $17,525.00 of the Settlement Payment shall be designated as "PAGA Penalties" to be allocated 75% to the LWDA ($13,143.75) and the remaining 25% to the Aggrieved Employees ($4,381.25). The full payment to the Aggrieved Employees ($4,381.25) shall be due at the time of the first annual payment, and the $13,143.75 LWDA payment shall be paid $3,143.75 in the first installment and the remaining $10,000.00 to be paid in the second annual installment.

c. The penalty settlement payments will be reported on IRS Form 1099s. The Parties acknowledge and agree that all payments under this Settlement Agreement as PAGA Payments are attributable as penalties. None are attributable as wages. Accordingly, the parties acknowledge and agree that Defendant is not responsible for any employer-side taxes in connection with any PAGA Payments under this Settlement Agreement.

d. **PAGA Administration:** Administrator's fee shall be paid from the Settlement Amount. The Administrator's duties will include, among other things identified in this Agreement, a National Change of Address database search to update stale addresses prior to mailing Individual PAGA Payments and accompanying letters to Aggrieved Employees; calculate the pro rata payment of penalties allocated to the Aggrieved Employees, issue checks and IRS Form 1099's, and report such payments to the proper taxing authorities; format and print the letter accompanying the Individual PAGA Payment check; void Individual PAGA Payment checks after 180 days and transmit funds represented by such uncashed checks as provided for by this Agreement, and declarations as required by the Parties and the Court.

3. **Representative PAGA Release**. In Plaintiff's capacity as a private attorney general and "aggrieved employee" acting on behalf of Plaintiff's self, the State of California, and the Aggrieved Employees, and in consideration of the PAGA Payment and Plaintiff's Service Payment, Plaintiff hereby releases Defendant and Defendant's past, present and/or future, officers, board members, directors, employees, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees), representatives, attorneys, insurers, customers, partners, investors, shareholders, members, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors and/or assigns (the Released Parties) from any and all PAGA Released Claims that arose during the PAGA Period.

4. **Release by State of California and Aggrieved Employees:**

The State of California and all Aggrieved Employees 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 all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice ("Released Claims").

5. **Release by PAGA Counsel:**

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

6. **Settled Claims.** Upon entry of the Order approving this settlement, Plaintiff and all Aggrieved Employees will be forever barred from pursuing the PAGA Released Claims against Defendant during the PAGA Period.

7. **Confidentiality**. No Parties nor their counsel shall issue a press release, or hold a press conference about the settlement and should they be asked to comment, shall respond that the Action has been resolved and to look to the Court's file for further information.

8. **No Right to Opt Out or Object.** The Parties agree there is no statutory right for any PAGA Settlement Group Member to object, opt out or otherwise exclude himself or herself from the Settlement. The Parties further agree there is no right or opportunity for any PAGA Settlement Group Member to appeal the approval of the Settlement by the Court.

9. **Waiver of Right to Appeal.** Provided that the Final Order is consistent with the material terms of this Agreement, Plaintiff, Defendant, and their respective counsel hereby waive any and all rights to appeal from the Final Order, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for new trial, and any extraordinary writ, and the Final Order therefore will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings. This paragraph does not preclude Plaintiff or Plaintiff's Counsel from appealing from a refusal by the Court to award the Plaintiff's Counsel attorneys' fees and/or costs sought by them. If an appeal is taken, the time for consummating the Settlement (including making payments under the Settlement) will be suspended until such time as their appeal is finally resolved and the Final Order becomes Final, as defined in this Agreement.

10. **Motion for Approval of PAGA Settlement by Plaintiff's Counsel**. The Parties recognize that in accordance with Labor Code Section 2699(*l*) Court approval is required in the event of a settlement of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Court* (2009) 46 Cal.4th 969, the Parties are not obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement through a motion for preliminary or final approval. Instead, to comply with the requirements of Labor Code Section 2699(*l*), Plaintiff's Counsel shall file a motion for approval ("PAGA Approval Motion"), advocating that the Settlement is fair, adequate, and reasonable, and Defendant or Defendant' Counsel shall not oppose such a Motion provided that Plaintiff's Counsel sends a draft of the PAGA Approval Motion to Defendant' Counsel allowing sufficient time (at least seven [7] days) to review and comment. Defendant's Counsel will provide Plaintiff's Counsel with and allow Plaintiff's Counsel to submit to the Court, adequate information related to the released claims to obtain approval of the Settlement. Upon filing the PAGA Approval Motion Plaintiff will also serve the LWDA with notice of the settlement as required by applicable law. The Parties agree that Plaintiff will submit the Order of Final Approval and Dismissal with Prejudice (retaining jurisdiction in the Court to enforce per CCP 664.6) ("Final Order") which will be approved by both counsel for Defendant and for Plaintiff prior to Plaintiff's filing, **in substantially the same format as Exhibit "A" attached hereto.**

11. The proposed PAGA Settlement is contingent upon the approval by the Court. If the Court should fail to approve this Settlement in the form agreed to by the Parties, the Parties agree to coordinate efforts to address the Court's questions or concerns and resubmit the Approval Stipulation or Motion. If, after the Parties are unable to obtain approval of the terms of the Settlement, or (b) the Court's approval of this Settlement is reversed, modified, or declared or rendered void, then (i) this Settlement shall be considered null and void; (ii) neither this Settlement nor any of the related negotiations or proceedings shall be of any force or effect; and (iii) all Parties to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court. Invalidation of any material portion of this Settlement, except for the amount of attorneys' fees and costs, shall invalidate this Settlement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect. The PAGA Approval Motion will request the Court to approve the amount of the PAGA Penalties, dismiss the Operative Complaint with Prejudice, and enter Final Order.

12. Within fifteen (15) days of the full execution of this Agreement, Plaintiff will file the PAGA Approval Motion, together with the proposed PAGA Letter (Exhibit A), and Final

Order Approving the PAGA Settlement, but only after Defendant' opportunity for review of all said documents and approval thereof in writing.

13. **Termination of Settlement Agreement**. If the Court does not approve this settlement, or if the Court does not enter Final Order as provided for in this Settlement Agreement, or if appellate review is sought and on such review the Court's decision is materially modified or reversed, or if one or more of the terms of the Settlement Agreement are not approved or is materially modified or reversed or found to be invalid, then Defendant shall have the right within twenty-one (21) days of written notice thereof to elect to terminate the Settlement Agreement, in which event it shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

14. **Final Order**. Plaintiff shall submit to the Court a proposed Final Order together with the Joint Motion for Approval of PAGA Settlement mutually agreed to by the Parties. This Settlement Agreement is expressly conditioned upon the Court entering the Final Order in its entirety. Defendant's must review and approve of the Final Order before it is submitted to the Court.

15. **Payment**. Defendant shall tender the First Annual Installment to the Administrator within fifteen (15) days of receipt of the signed Final Order entered by the Court. Defendant shall tender the Second Annual Installment to the Administrator within one year of the First Annual Installment.

IV. ADMINISTRATION OF SETTLEMENT

1. Following Court approval of the PAGA Settlement, Administrator, will administer the PAGA Settlement and distribute the Gross Settlement Amount as provided for by this Agreement.

2. The PAGA Payment will be allocated as provided by Labor Code §2699(i), with 75% paid to the LWDA, and 25% distributed to Participating Aggrieved Employees on a proportionate basis, based upon the number of Pay Periods each worked during the PAGA Period.

3. Within thirty (30) days of receipt of Gross Settlement Amount, the Administrator will issue to the Participating Aggrieved Employees, their Individual PAGA Payment ($4,381.25 total) together with a letter explaining the Individual PAGA Payment ("PAGA Letter") which is in a form substantially similar to **Exhibit "A"** which will be approved by both counsel for Defendant and for Plaintiff. The Individual PAGA Payment and letter will be mailed to the Aggrieved Employees' last-known home address or as updated by the Administrator following the NCOA database search. Individual PAGA Settlement checks will remain active for one hundred and eighty (180) days. Any check returned as non-deliverable on or before the cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining uncashed for more than one hundred and eighty (180) days after issuance will be tendered to the State of California Controller Unclaimed Property Fund ("UPF") for further handling on behalf of the Aggrieved Employees. The Individual PAGA Payments shall be deemed penalties and shall be reported using IRS tax form 1099.

4. After the distribution of the Individual PAGA Payment, the balance of the Settlement Amount shall be paid as follows:

a. Within fourteen (14) calendar days of the distribution of the Individual PAGA Payment, the Administrator shall pay the LWDA its share of the First Installment PAGA Payment ($3,143.75).

b. Within fourteen (14) calendar days of the receipt of the Second Installment Payment, the Administrator shall pay the LWDA its share of the Second Installment Payment ($10,000).

5. Following distribution of the Gross Settlement Amount, the Administrator will provide a declaration to the Parties regarding the distribution to be filed with the Court.

6. Defendant makes no representations or warranties with respect to tax consequences of any payment under this Settlement Agreement.

V. MISCELLANEOUS PROVISIONS

1. **Drafting**. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

2. **Successors**. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees**. The Parties shall each bear their own costs, attorneys' fees, mediator fees, and other fees incurred in connection with this Agreement and in connection with the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Authority**. Defendant represents and warrants that the undersigned has the authority to act on behalf of Defendant and to bind Defendant to the terms of this Agreement. Plaintiff and her counsel represent and warrant that Plaintiff has the capacity to act on behalf of the State of California as a private attorney general under PAGA to bind them to the terms and conditions of this Agreement.

5. **Governing Law**. This Agreement shall be construed under and governed by the laws of the State of California. This Agreement shall be deemed to have been entered into in San Diego, California and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Agreement shall be governed by California law. If any legal or equitable action or arbitration is necessary to enforce the terms of this Agreement, it shall be brought in the State of California, County of San Diego.

6. **Complete Agreement**. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement

of the claims. This Settlement Agreement cannot be amended or modified except by a writing signed by the Parties hereto.

7. **Nullification of Settlement Agreement**. In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

8. **Judgment and Continued Jurisdiction**. After approval of this settlement, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) matters as may be appropriate under court rules or as set forth in this Settlement.

9. **Entire Agreement**. This Settlement Agreement constitutes the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

10. **Amendment or Modification**. This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties.

11. **Authorization to Enter Into Settlement Agreement**. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

12. **Binding on Successors and Assigns**. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

13. **California Law Governs**. All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

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

15. **Acknowledgement that the Settlement is Fair and Reasonable**. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had

an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

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

17. **Severability**. If any term or provision of this Agreement is held to be invalid or unenforceable, the remaining portions of this Agreement will continue to be valid and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

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

19. **Taxes.** The Parties make no representation as to the tax treatment or legal effect of the payments called for hereunder, and the Plaintiff and the Participating Aggrieved Employees are not relying on any statement, representation, or calculation by any of the Parties or by the Settlement Administrator in this regard. Plaintiff and the Participating Aggrieved Employees understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein and will hold Plaintiff, Plaintiff's Counsel, Defendant, Defendant's counsel and the Released Parties free and harmless from and against any claims resulting from the tax treatment of payments under this Agreement. Plaintiff and Participating Aggrieved Employees acknowledge and agree that no provision of this Settlement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor will any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

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

21. **Mutual Preparation**. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

22. **Representation By Counsel**. The Parties acknowledge that they have been

represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

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

24. **Binding Agreement**. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

25. **Denial of Liability**. The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

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26. **Authorization and Voluntary Agreement**

Each of the Parties represents and warrants that (a) they are fully authorized to enter into this Agreement; (b) they have read and fully understand each of the provisions of this Agreement; (c) they have had the opportunity to rely, and/or have relied, upon the advice and representation of their legal counsel of their own choosing in entering into this Agreement; (d) they have signed the Agreement voluntarily, without any duress or undue influence on the part, or on behalf, of any Party; and (e) the terms of this Agreement are contractual and not merely recitals. **Plaintiff hereby is advised not to sign this Agreement before consulting with legal counsel.**

IN WITNESS THEREOF, the Parties each acknowledge that she/he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

PLAINTIFF:

Dated: Dec 10, 2024 By: ______________________
ID aQgc2pD97op6mm79v9KFzcVE
Sun Ae Chung

PLAINTIFF'S COUNSEL (AS TO FORM ONLY):

Dated: ____________, 2024 By: ______________________
Josh Gruenberg, Esq.
Katherine Krebs, Esq.
GRUENBERG LAW

DEFENDANT:

Dated: 12/03, 2024 By: ______________________
For Sushi Kami, Inc.

DEFENDANT' COUNSEL (AS TO FORM ONLY):

Dated: 12/04, 2024 By: ______________________
John Guarino
Wilson Elser Moskowitz Edelman & Dicker LLP

EXHIBIT A

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

Re: Individual PAGA Payment from *Chung v. Sushi Kami, Inc. et. al.,* San Diego County Superior Court, Case No. 37-2023-00047861-CU-OE-CTL

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of **<<amount of payment>>** ("Individual PAGA Payment"). This check is your payment from the settlement of a lawsuit entitled *Chung v. Sushi Kami, Inc. et. al.,* Case No. 37-2023-00047861-CU-OE-CTL ("Action"), pending in the Superior Court of California for the County of San Diego ("Court").

The lawsuit was filed by Sun Ae Chung ("Plaintiff"), a former employee of Sushi Kami ("Defendant"), on behalf of the State of California with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). Plaintiff alleged that Defendant violated the California Labor Code and Industrial Welfare Commission Wage Orders by failing to properly pay all overtime wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, provide accurate itemized wage statements, and timely pay all wages during employment and upon separation of employment. Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following Aggrieved Employees: persons employed by Sushi Kami in California and classified as a non-exempt hourly employee who worked for Sushi Kami at any time from October 8, 2022 to _____.

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the Aggrieved Employees. You are receiving a portion of the settlement (the enclosed Individual PAGA Payment) because you have been identified as an Aggrieved Employee. Your Individual PAGA Payment is based on the total number of pay periods that you worked as a PAGA Employee during the period between October 8, 2022 to _____. ("PAGA Period"). The Individual Settlement Check is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the Released Claims. The "Released Parties" means Sushi Kami and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates. The "Released Claims" means and refers to all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, from August 29, 2022 to _____, including for the failure to properly pay overtime wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, provide wages for all time work, provide reimbursement for business expenses, provide accurate itemized wage statements, and timely pay all wages during employment and upon separation of employment.

Your check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual PAGA Payment will be cancelled and the funds will be transmitted to the State Controller's Office Unclaimed Property Fund in the name of the PAGA Employee whose check is voided.

Do <u>not</u> call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.

eSignature Details

Signer ID:	**aQgc2pD97op6mm79v9KFzcVE**
Signed by:	Sun Ae Chung
Sent to email:	miachung08@gmail.com
IP Address:	174.65.68.75
Signed at:	Dec 10 2024, 10:35 am PST

EXHIBITS B AND C

GRUENBERG LAW
2155 FIRST AVENUE
SAN DIEGO, CALIFORNIA, 92101-2013

Gmail

Katherine Krebs <krebs@gruenberglaw.com>

Thank you for your Proposed Settlement Submission

DIR PAGA Unit <no-reply@formassembly.com> Fri, Mar 21, 2025 at 12:29 PM
To: Krebs@gruenberglaw.com

03/21/2025 12:28:59 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement
If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT D

GRUENBERG LAW
2155 FIRST AVENUE
SAN DIEGO, CALIFORNIA, 92101-2013

EXHIBIT A

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

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