

MEMORANDUM OF UNDERSTANDING

1. This Memorandum of Understanding (“MOU”) is entered into in *Monina Pascual; Cecilia Amayo v. San Francisco Ladies’ Protection & Relief Society DBA Heritage on the Marina*, San Francisco Superior Court, Case Number CGC-23-607790 (the “Class Action”) by and between Plaintiffs Monina Pascual and Cecilia Amayo (“Plaintiffs”), on the one hand, and defendant San Francisco Ladies’ Protection & Relief Society *DBA Heritage on the Marina* (“Defendant”), on the other hand, for the purpose of memorializing their agreement to the principle terms of a settlement of this Action. Plaintiffs and Defendant shall collectively be referred to herein as the “Parties”.
2. This MOU shall become binding and enforceable upon its execution by Plaintiffs, or a designated representative of Plaintiffs, and a designated representative for Defendant. The Parties agree that even if no formal settlement document is signed, they intend this MOU to be enforceable by motion under California Code of Civil Procedure section 664.6. Further, the Parties intend this MOU to be enforceable, notwithstanding the confidentiality provisions of California Evidence Code section 1119, *et seq.* (if applicable). The Court shall retain continuing jurisdiction over the MOU and over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and intent of this MOU (even if no formal settlement document is signed), and to adjudicate any claimed breaches of this MOU. The Court may award reasonable attorneys’ fees and costs to the prevailing party in any motion or action taken and based on an alleged violation of any material term of the MOU.
3. The Parties also intend this MOU to be fully binding and enforceable by the Court upon the motion of any part, and pledge their good faith and fair dealing in providing assent to a final settlement agreement.
4. The settlement class herein consists of all persons currently or formerly employed by Defendant, either directly or through any subsidiary, staffing agency, or professional employer organization, as non-exempt, hourly-paid employees from July 19, 2019, through March 8, 2024 (“Class Period”) in the State of California (“Class Members”). It shall be an opt-out class.
5. The parties stipulate to class certification for purposes of settlement only. If the Court does not grant Preliminary and Final Approval of the Class Action Settlement, the Parties will not stipulate to Class Certification.
6. The settlement will be on a common fund basis. There will be no claim form or claims process. There will be no reversion to Defendant, or either of them. Class Members will be mailed their share of the settlement funds as long as they have a verifiable mailing address and do not opt out of the settlement.
7. Defendant shall pay a Gross Settlement Amount or Gross Fund Value (“GFV”) of \$725,000.00 (Seven Hundred Twenty-Five Thousand Dollars and Zero Cents) in settlement of this matter, including the class and representative allegations made in the

Action. The GFV herein includes the settlement payments to Class Members, settlement administration fees and costs, Plaintiffs' incentive and/or enhancement, payment to the government of its share under the Labor Code Private Attorneys' General Act of 2004 ("PAGA, codified at Labor Code section 2698, *et seq.*), and attorneys' fees and costs. It shall expressly exclude the employer's share of taxes ("Employer Taxes"), which will be paid separate and apart from the GFV.

8. The Parties shall aim to execute a long-form settlement agreement by March 28, 2024.
9. Defendant shall have twenty (20) calendar days to fully fund the GFV after final approval (assuming there are no objections, appeals, etc.) including Defendant's share of taxes owed on the wages portion of the settlement, which shall be determined by the Settlement Administrator chosen by Plaintiffs.
10. Plaintiffs will request that the Court approve an award of attorneys' fees in an amount not to exceed one-third of the GFV as the same may be escalated pursuant to Paragraph 26, actual costs incurred subject to court approval, and an Incentive Award to Plaintiffs of \$15,000.00 each, or \$30,000.00 total (Thirty Thousand Dollars and Zero Cents). The Parties also agree that \$20,000.00 of the GFV will be allocated to the PAGA claim (75% paid to the LWDA, 25% to be included in the payment to Aggrieved Employees). Defendant will not oppose the reasonableness of any of these requests. Any reduction by the Court of these requests will revert to Participating Class Members.
11. Payment will be made to Participating Class Members based on the number of Workweeks worked by Class Members for Defendant during the Class Period and, for PAGA, by the number of pay periods worked by PAGA aggrieved employees during the PAGA Period. For purposes of payment, Workweeks worked shall be defined using hire dates, termination dates, and rehire dates, as applicable.
12. The Parties agree that the Settlement Administrator will administer this settlement, and will issue to Class Members a form W-2 for all amounts paid as wages under this settlement, making all deductions and withholdings required under law, and a Form 1099 for all amounts paid as penalties and interest. The parties agree that Plaintiffs is solely responsible for selecting a Settlement Administrator to administer the settlement. The Parties agree that no more than \$12,000 (Twelve Thousand Dollars and Zero Cents) of the GFV shall be allocated to settlement administration costs.
13. Defendant will pay the employer's share of payroll taxes as required by law separate and apart from the GFV. Any Incentive Award approved by the Court will result in the issuance of a Form 1099 to Plaintiffs as class representatives, who shall assume full responsibility and liability for the payment of taxes due on such award.
14. The Parties agree to an opt-out period of forty-five (45) calendar days.
15. Defendant will have the option in its sole discretion of voiding the Agreement if more than 10% of the Class Members opt-out of the Settlement.

16. Upon final approval by the Court and full payment of the GFV and Employer Taxes to the Settlement Administrator by Defendant, Class Members, except those who opt out (“Participating Class Members”), will waive and release all claims, rights, demands, damages, liabilities, and causes of action, in law or in equity, arising at any time during the Class Period for the claims brought by Plaintiffs in the Action or that could have been brought by Plaintiffs against Defendant (including but limited to its parents, affiliates and subsidiaries and related companies) in the Action based on the allegations made by Plaintiffs in the Action, except as to representative allegations under PAGA, which are released upon final approval by the Court and full payment of the GFV and Employer Taxes to the Settlement Administrator by Defendant, only by Class Members working from November 3, 2022 through March 8, 2024 (the “PAGA Period”) and only for civil penalties under PAGA arising during the PAGA Period that were alleged in Plaintiffs’ PAGA Notice filed with the Labor and Workforce Development Agency (“LWDA”). There will be no opt-out or exclusion from the PAGA settlement.
17. The incentive payment to Plaintiffs is expressly contingent upon Plaintiffs’ execution of a general release, including a Civil Code section 1542 waiver as it pertains to Defendant only, which shall not become effective until final approval by the Court and full payment of the GFV and Employer Taxes to the Settlement Administrator by Defendant. Plaintiffs agree that any such release will cover all states where Plaintiffs worked for Defendant including California.
18. Class Members, except those who opt out, will be paid their portion of the settlement, which shall be considered 20% wages and 80% penalties and interest.
19. Plaintiffs and Defendant, and each of them, waive any and all claims for fees, costs, indemnity or contribution against Plaintiffs, any Class Member, Plaintiffs’ Counsel in the Class Action, Defendant, or Defendant’s Counsel in the Class Action other than as provided herein.
20. The Parties to this MOU pledge their good faith and fair dealing in supporting the approval of this settlement by the Court and shall not encourage or solicit Class Members to opt out or object to the settlement.
21. Neither this MOU, nor the final form of the settlement, shall constitute an admission on behalf of Defendant of any form of liability or the accuracy of any allegation made by Plaintiffs or their counsel. Payment of wages does not extend or alter the Class Member-claimants’ period of employment for any purpose.
22. The Parties to this MOU agree that it reflects their good faith compromise of the claims raised in this Class Action, based upon the assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel.
23. The Parties to this MOU are represented by competent counsel, and they have had an opportunity consult with counsel prior its execution.

24. Participating Class Members will receive an Individual Settlement Payment. Individual Settlement Payment checks shall remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. Thereafter, checks for such payments shall be canceled and funds associated with such checks shall be considered unpaid, unclaimed or abandoned cash residue pursuant to Code of Civil Procedure section 384 ("Unpaid Residue"). The Unpaid Residue plus accrued interest, if any, as provided in Code of Civil Procedure section 384, shall be transmitted as follows to the *cy pres* recipient, Justice Gap Fund, located at Office of Access & Inclusion–Justice Gap Fund, The State Bar of California, 180 Howard Street, San Francisco, CA 94105, an organization specifically created by California's state legislature to provide funding to about 100 legal aid organizations across the state providing free civil legal services to low-income Californians. The Settlement Administrator shall prepare a report regarding the distribution plan pursuant to Code of Civil Procedure section 384 and the report shall be presented to the Court by Class Counsel along with a proposed amended judgment that is consistent with the provisions of Code of Civil Procedure section 384.
25. The Parties agree to stipulate for Plaintiffs to file an amended complaint in the Class Action that adds a cause of action for civil penalties under PAGA for all theories stated in the PAGA Notice filed with the LWDA by Plaintiffs.
26. Defendant represents that there are no more than 19,128 Workweeks worked during the Class Period. In the event the number of Workweeks worked increases by more than 5%, or an additional 956 Workweeks worked, then the GFV shall be increased proportionally by the Workweeks worked in excess of 19,128 multiplied by the Workweek Value. The Workweek Value shall be calculated by dividing the GFV by 19,128. The Parties agree that the Workweek Value amounts to and the settlement amounts to \$37.90 per Workweek (\$725,000.00/19,128 Workweeks). Thus, for example, should there be 40,000 Workweeks in the Class Period, then the GFV shall be increased by \$791,048.80. (40,000 Workweeks – 19,128 Workweeks) x \$37.90/Workweek.) The Parties shall also have the option of cutting off the Class Period on the date 19,128 Workweeks were worked by Class Members.
27. Plaintiffs and their counsel will not make any public disclosure of this Memorandum of Understanding. Class Counsel will take all steps necessary to ensure Plaintiffs are aware of, and will encourage Plaintiffs to adhere to, the restriction against any public disclosure of this Memorandum of Understanding. Following preliminary approval of the Settlement, Plaintiffs and Class Counsel will not have any communications with the media other than to direct the media to the public records of the Action on file with the court. Class Counsel will take all steps necessary to ensure Plaintiffs are aware of, and will encourage Plaintiffs to adhere to, the restriction against any media comment on the Settlement and its terms. Class Counsel further agrees not to use the Settlement of this Action or any of its terms for any marketing purposes.
28. Any dispute between the parties as to the remaining terms of the settlement agreement shall be presented to the mediator for resolution.

29. This agreement is subject to Court approval. If it is not approved after the best efforts of the Parties to comply with any concerns raised by the Court that do not require material modification (or approval is reversed or materially modified on appellate review) this settlement shall be null and void.

ACCEPTED AND AGREED:

For Plaintiff Cecilia Amayo

Signature: _____

Name: _____

Date: _____

For San Francisco Ladies' Protection & Relief Society *DBA* Heritage on the Marina

Signature: Lewis Ransom Gridley

Name: Lewis Ransom Gridley

Date: 3/13/2024

For Plaintiff Monina Pascual

Signature: _____

Name: _____

Date: _____

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ACCEPTED AND AGREED:

For Plaintiff Cecilia Amayo

Signature: Cecilia Amayo

Name: _____

Date: 3/13/2024

For San Francisco Ladies' Protection & Relief Society DBA Heritage on the Marina

Signature: _____

Name: _____

Date: _____

For Plaintiff Monina Pascual

Signature: mpascual

Name: _____

Date: 3/13/2024