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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

MELANIE SPAINHOWER, individually and
on behalf of all other aggrieved employees,

Plaintiff,

vs.

J.N. Restaurants, Inc., a California
corporation; and DOES 1 through 50,
inclusive,

Defendants.

CASE NO. CVRI2401632

**SETTLEMENT AGREEMENT AND
RELEASE OF PAGA CLAIMS**

1 IT IS HEREBY STIPULATED, by and between plaintiff Melanie Spainhower ("Plaintiff"),
2 individually and on behalf of all other Aggrieved Employees, on the one hand, and defendant J.N.
3 Restaurants, Inc. ("Defendant"), on the other hand, and subject to the approval of the Court, that
4 the Action is hereby compromised and settled pursuant to the terms and conditions set forth in this
5 Settlement Agreement and Release of PAGA Claims ("Settlement Agreement"), and that the Court
6 shall enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and
7 subject to the definitions, recitals, and terms set forth herein which by this reference become an
8 integral part of this Settlement Agreement.

9 **DEFINITIONS**

10 1. "Action" means the representative action entitled *Spainhower v. J.N. Restaurants,*
11 *Inc.*, Riverside Superior Court Case No. CVRI2401632.

12 2. "Aggrieved Employees" means persons employed by Defendant as non-exempt
13 employees in California at any time during the Settlement Period.

14 3. "Approval Hearing" means the hearing to be conducted by the Court after the filing
15 of an appropriate motion by Plaintiff, at which time Plaintiff shall request that the Court approve
16 the Settlement, enter Judgment, and take other appropriate action.

17 4. "Defendant" means defendant J.N. Restaurants, Inc.

18 5. "Defense Counsel" means Jason C. Ross, Ahllam H. Berri, and Christine A. Robles
19 of Wood, Smith, Henning & Berman LLP.

20 6. "Effective Date" means the date upon which the Settlement has been finally
21 approved by the Court and either (1) the Court of Appeal has rendered a final judgment affirming
22 the Court's approval of the Settlement without material modification and the date for further appeal
23 has passed without further appeal; or (2) the applicable date for seeking appellate review of the
24 Court's final approval of the Settlement has passed without a timely appeal or request for review
25 having been made.

26 7. "Employee Information" means information regarding the Aggrieved Employees
27 that Defendant shall in good faith compile from its records and shall be authorized by the Court to
28 transmit in a secure manner to the Settlement Administrator. Employee Information shall be

transmitted in electronic form and shall include each Aggrieved Employee's full name; last known address; Social Security number; and total number of Qualifying Pay Periods.

8. "Individual Settlement Payment" means the amount payable from the Net Settlement Amount to each Aggrieved Employee.

9. "Judgment" means the final order and judgment to be entered by the Court granting approval of the Settlement as binding upon the Parties and the Aggrieved Employees.

10. "LWDA" means the California Labor and Workforce Development Agency.

11. "LWDA Letter" means the notice Plaintiff sent to the LWDA and Defendant on December 12, 2023, regarding her intent to pursue a representative PAGA action on behalf of the State of California and other allegedly aggrieved employees.

12. "LWDA Payment" means the portion of the Net Settlement Amount payable to the LWDA.

13. "Maximum Settlement Amount" means the maximum amount Defendant shall have to pay in connection with this Settlement, which shall be inclusive of all Individual Settlement Payments, Plaintiff's Counsel Award, the Service Award, Settlement Administration Costs, and the LWDA Payment. Subject to Court approval and the terms of this Settlement Agreement, the Maximum Settlement Amount Defendant shall be required to pay is One Hundred Forty Thousand Dollars and Zero Cents (\$140,000.00). No portion of the Maximum Settlement Amount will revert to Defendant for any reason; rather, if, e.g., the Court does not grant the full amount of requested Plaintiff's Counsel Award and/or the Service Award, any amounts requested but not awarded will be included in the Net Settlement Amount and distributed seventy five percent (75%) to the LWDA and twenty five percent (25%) to the Aggrieved Employees.

14. "Net Settlement Amount" means the Maximum Settlement Amount, less Plaintiff's Counsel Award, the Service Award, and Settlement Administration Costs, of which seventy five percent (75%) shall be distributed to the LWDA and twenty five percent (25%) shall be distributed to the Aggrieved Employees.

15. "Notice" means the Notice of PAGA Settlement, substantially in the form attached as **Exhibit 1**, which shall be subject to Court approval and which the Settlement Administrator

1 shall mail to each Aggrieved Employee in English and Spanish explaining the terms of the
2 Settlement.

3 16. "PAGA" means the Labor Code Private Attorneys General Act of 2004, California
4 Labor Code sections 2698, et seq.

5 17. "Parties" means Plaintiff and Defendant.

6 18. "Plaintiff" means plaintiff Melanie Spainhower.

7 19. "Plaintiff's Counsel" means Matthew J. Matern, Launa Adolph, and Rebecca E. Liu
8 of Matern Law Group, PC.

9 20. "Plaintiff's Counsel Award" means reasonable attorneys' fees for Plaintiff's
10 Counsel's litigation and resolution of the Action, and Plaintiff's Counsel's expenses and costs
11 reasonably incurred in connection with the Action.

12 21. "Qualifying Pay Periods" means the total number of pay periods during which an
13 Aggrieved Employee performed work as a non-exempt employee of Defendant in California during
14 the Settlement Period, based on Defendant's records, and which shall be used to calculate
15 Individual Settlement Payments.

16 22. "Released Parties" means Defendant and its past, present and/or future direct and/or
17 indirect officers, directors, members, managers, employees, agents, representatives, attorneys,
18 insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates,
19 principals, owners, directors, officers, divisions, predecessors, successors, assigns, and joint
20 venturers.

21 23. "Service Award" means the amount that the Court authorizes to be paid to Plaintiff,
22 in addition to Plaintiff's Individual Settlement Payment, in recognition of Plaintiff's effort and risk
23 in prosecuting the Action.

24 24. "Settlement" means the final and complete disposition of the Action pursuant to this
25 Settlement Agreement.

26 25. "Settlement Administration Costs" means the reasonable costs and fees of
27 administering the Settlement to be paid from the Maximum Settlement Amount, including, but not
28 limited to: (i) translating the Notice into Spanish; (ii) printing, mailing, and re-mailing (if necessary)

1 Settlement Packets to the Aggrieved Employees; (iii) preparing and submitting to Aggrieved
2 Employees and government entities all appropriate tax filings and forms; (iv) computing the
3 amount of and distributing Individual Settlement Payments, the Service Award, Plaintiff's Counsel
4 Award, and the LWDA Payment; (v) establishing a Qualified Settlement Fund ("QSF"), as defined
5 by the Internal Revenue Code; and (vi) preparing and submitting filings required by law in
6 connection with the payments required by the Settlement.

7 26. "Settlement Administrator" means Xpand Legal.

8 27. "Settlement Period" means the period from January 16, 2023 through May 12, 2025.

9 28. "Settlement Packet" means the packet of documents which shall be mailed to all
10 Aggrieved Employees by the Settlement Administrator, including the Notice and each Aggrieved
11 Employee's respective Individual Settlement Payment.

12 RECITALS

13 29. Procedural History. On December 12, 2023, Plaintiff sent notice to the LWDA of
14 her intent to pursue a representative PAGA action on behalf of herself and the State of California
15 as well as on behalf of other allegedly aggrieved employees. The LWDA did not provide a
16 response.

17 30. On March 22, 2024, Plaintiff filed a complaint against Defendant in Riverside
18 County Superior Court, Case No. CVRI2401632, alleging claims for penalties under PAGA, as a
19 representative action for (i) failure to provide meal periods; (ii) failure to authorize and permit rest
20 periods; (iii) failure to pay minimum wages; (iv) failure to pay overtime wages; (v) failure to timely
21 pay wages during employment; (vi) failure to pay all wages due to upon separation; (vii) failure to
22 maintain required records; (viii) failure to furnish accurate itemized wage statements; and (ix)
23 failure to indemnify employees for necessary expenditures incurred in discharge of duties.

24 31. On June 7, 2024, Defendant filed an answer to the complaint.

25 32. On February 5, 2025, the Parties participated in a private mediation session with
26 mediator Hon. Brian C. Walsh (Ret.). The Parties were unable to reach a resolution at the
27 mediation, but subsequently accepted a mediator's proposal on February 13, 2025, subject to the
28 Parties entering into a more comprehensive written settlement agreement.

1 33. Benefits of Settlement to Plaintiff and the Aggrieved Employees. Plaintiff and
2 Plaintiff's Counsel recognize the expense and length of continued proceedings that would be
3 necessary to litigate Plaintiff's claims in the Action through trial and through any possible appeals.
4 Plaintiff has taken into account the uncertainty and risks of the outcome of further litigation, and
5 the difficulties and delays inherent in such litigation. Plaintiff and Plaintiff's Counsel also are
6 aware of the burdens of proof necessary to establish liability for the claims asserted in the Action,
7 both generally and in response to Defendant's defenses thereto. Based on the foregoing, Plaintiff
8 and Plaintiff's Counsel have determined that the Settlement set forth in this Settlement Agreement
9 is fair, adequate, and reasonable and provides genuine and meaningful relief consistent with the
10 underlying purposes of PAGA.

11 34. Defendant's Reasons for Settlement. Defendant has concluded that any further
12 defense of the Action would be protracted and expensive for all Parties. Substantial amounts of
13 Defendant's time, energy, and resources have been, and unless this Settlement is completed, shall
14 continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken
15 into account the risks of further litigation in reaching its decision to enter into this Settlement. Even
16 though Defendant contends it is not liable for any of the claims alleged by Plaintiff in the Action,
17 Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in this
18 Settlement Agreement and to put to rest the claims alleged in this Action. Defendant has asserted
19 and continues to assert that the claims alleged by Plaintiff have no merit and do not give rise to
20 liability. This Settlement Agreement is a compromise of disputed claims. Nothing contained in
21 this Settlement Agreement, no documents referred to herein, and no action taken to carry out this
22 Settlement Agreement, shall be construed or used as an admission by or against Defendant as to
23 the merits or lack thereof of the claims asserted in the Action. Defendant contends that it has
24 complied with all applicable state, federal and local laws.

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1 **TERMS OF SETTLEMENT**

2 NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements
3 set forth herein, the Parties agree, subject to the Court's approval, as follows:

4 35. Binding Settlement. This Settlement shall bind the Parties and all Aggrieved
5 Employees, subject to the terms and conditions hereof and the Court's approval.

6 36. Tax Liability. The Parties make no representations as to the tax treatment or legal
7 effect of the payments specified herein, and the Aggrieved Employees are not relying on any
8 statement or representation by the Parties, Plaintiff's Counsel or Defense Counsel in this regard.
9 The Aggrieved Employees and Plaintiff's Counsel understand and agree that they shall be
10 responsible for the payment of all taxes and penalties assessed on the payments specified herein,
11 and shall hold the Parties, Plaintiff's Counsel, and Defense Counsel free and harmless from and
12 against any claims resulting from treatment of such payments as non-taxable, including the
13 treatment of such payments as not subject to withholding or deduction for payroll and employment
14 taxes.

15 37. Circular 230 Disclaimer. THE PARTIES ACKNOWLEDGE AND AGREE THAT
16 (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN
17 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES,
18 PLAINTIFF'S COUNSEL, OR DEFENSE COUNSEL AND OTHER ADVISERS, IS OR WAS
19 INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE
20 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
21 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR
22 PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
23 EXCLUSIVELY UPON HIS, HER, OR ITS OWN INDEPENDENT LEGAL AND TAX
24 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
25 SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT
26 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
27 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
28 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO

1 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
2 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
3 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
4 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
5 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
6 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
7 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
8 SETTLEMENT AGREEMENT.

9 38. Approval of Settlement. Plaintiff shall be responsible for moving the Court to
10 approve the Settlement and enter the Judgment. The Parties agree to work diligently and
11 cooperatively to have this Settlement presented to the Court for approval.

12 39. Released Claims.

13 a. Aggrieved Employees' Release. Upon full payment of the Maximum
14 Settlement Amount, all Aggrieved Employees shall be deemed to have released the Released
15 Parties of all causes of action and claims for civil penalties under the California Labor Code Private
16 Attorneys General Act of 2004 that were alleged in the operative complaint in the Action or
17 reasonably could have been alleged based on the facts, causes of action and legal theories contained
18 in the operative complaint in the Action or LWDA letter, including but not limited to claims for civil
19 penalties based on the following: (i) failure to provide meal periods; (ii) failure to authorize and
20 permit rest periods; (iii) failure to pay minimum wages; (iv) failure to pay overtime wages; (v) failure
21 to timely pay wages during employment; (vi) failure to pay all wages due to discharged and quitting
22 employees; (vii) failure to maintain required records; (viii) failure to furnish accurate itemized wage
23 statements; and/or (ix) failure to indemnify employees for necessary expenditures incurred in
24 discharge of duties. This release expressly excludes all claims for vested benefits, wrongful
25 termination, unemployment insurance, disability, social security, workers' compensation, claims
26 while classified as exempt, and claims outside of the Settlement Period. In light of the binding
27 nature of a PAGA judgment on non-party employees pursuant to *Arias v. Sup. Ct. (Angelo Dairy)*
28 (2009) 46 Cal.4th 969, Aggrieved Employees are not permitted to opt-out of the Settlement.

1 b. Plaintiff's Release. Upon full payment of the Maximum Settlement
2 Amount, Plaintiff shall be deemed to have released any and all claims, demands, rights, liabilities,
3 and/or causes of action, of any form whatsoever, whether known or unknown, unforeseen,
4 unanticipated, unsuspected or latent, that have been or could have been asserted by Plaintiff, or
5 Plaintiff's heirs, successors and/or assigns, whether directly, indirectly, representatively,
6 derivatively or in any other capacity, against the Released Parties which arose at any time prior to
7 entry of the Judgment, including but not limited to any and all claims which arose out of or are in
8 any way connected with Plaintiff's employment with Defendant or Plaintiff's separation from
9 employment with Defendant. This release specifically excludes claims for unemployment
10 insurance, disability, social security, and workers' compensation (except for claims pursuant to
11 Labor Code Sections 132a and 4553).

12 As to the released claims only, Plaintiff expressly waives all rights and benefits under the
13 terms of section 1542 of the California Civil Code. Section 1542 reads as follows:

14 “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
15 THAT THE CREDITOR OR RELEASING PARTY DOES NOT
16 KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT
17 THE TIME OF EXECUTING THE RELEASE AND THAT, IF
18 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
19 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR
20 OR RELEASED PARTY.”

21 Notwithstanding the provisions of section 1542, and for the purpose of implementing a full
22 and complete release and discharge of all of their released claims, Plaintiff expressly acknowledges
23 that this Settlement is intended to include in its effect, without limitation, all released claims which
24 Plaintiff does not know or suspect to exist in her favor at the time of execution hereof, and that the
25 Settlement contemplates the extinguishment of all such released claims.

26 40. Funding and Allocation of the Maximum Settlement Amount. Defendant shall pay
27 a Maximum Settlement Amount not to exceed One Hundred Forty Thousand Dollars and Zero
28 Cents (\$140,000.00), in two equal installments of Seventy Thousand Dollars and Zero Cents
(\$70,000.00). The first installment payment shall be paid no later than sixty (60) days after entry
of an order granting approval of the Settlement, and the second installment shall be paid six (6)

1 months after the first installment. Defendant shall provide the installment payments to the
2 Settlement Administrator in any feasible manner, including, but not limited to, by way of a wire
3 transfer.

4 a. Individual Settlement Payments.

5 i. Individual Settlement Payments shall be paid by the Settlement
6 Administrator from the Net Settlement Amount no later than ten (10) days after Defendant provides
7 the Settlement Administrator with the full Maximum Settlement Amount pursuant to the following
8 formula: Defendant shall provide the Settlement Administrator with the Qualifying Pay Periods for
9 each Aggrieved Employee. The Settlement Administrator shall then divide the portion of the Net
10 Settlement Amount allocated to the Aggrieved Employees by the total number of Qualifying Pay
11 Periods for all Aggrieved Employees resulting in a value for each pay period worked by the
12 Aggrieved Employees during the Settlement Period ("Pay Period Value"). The Settlement
13 Administrator shall then multiply the number of Qualifying Pay Periods for each Aggrieved
14 Employee by the Pay Period Value.

15 ii. Individual Settlement Payments shall be made by check and shall be
16 made payable to each Aggrieved Employee as set forth in this Settlement Agreement.

17 iii. Individual Settlement Payments shall be allocated as non-wage
18 penalties not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS
19 Form 1099 to each Aggrieved Employee along with the Individual Settlement Payment.

20 iv. Individual Settlement Payment checks shall remain negotiable for
21 one hundred eighty (180) days from the date of mailing. If an Individual Settlement Payment check
22 remains uncashed after one hundred eighty (180) days from issuance, the Settlement Administrator
23 shall distribute the value of the uncashed check to the State Controller's Unclaimed Property Fund
24 in the name of the Aggrieved Employee. In such event, such Aggrieved Employees shall
25 nevertheless remain bound by the Settlement.

26 b. Service Award. Subject to Court approval, Plaintiff shall be paid a Service
27 Award not to exceed Five Thousand Dollars and Zero Cents (\$5,000.00), or any lesser amount as
28 awarded by the Court, for her time and effort in bringing and presenting the Action and for releasing

1 her Released Claims, including her individual non-PAGA Labor Code claims. Defendant shall not
2 oppose or object to Plaintiff's request for a Service Award in an amount not to exceed Five
3 Thousand Dollars and Zero Cents (\$5,000.00). The Service Award shall be paid to Plaintiff from
4 the Maximum Settlement Amount no later than ten (10) days after Defendant provides the
5 Settlement Administrator with the full Maximum Settlement Amount. The Settlement
6 Administrator shall issue an IRS Form 1099 to Plaintiff for her Service Award. Plaintiff shall be
7 solely and legally responsible to pay any and all applicable taxes on her Service Award and shall
8 hold harmless Defendant, Plaintiff's Counsel, and Defense Counsel from any claim or liability for
9 taxes, penalties, or interest arising as a result of payment of the Service Award. The Service Award
10 shall be made in addition to Plaintiff's Individual Settlement Payment. Any amount requested by
11 Plaintiff for the Service Award and not awarded by the Court shall become part of the Net
12 Settlement Amount and shall be distributed to the LWDA and the Aggrieved Employees.

13 c. Plaintiff's Counsel Award. Subject to Court approval, Plaintiff's Counsel
14 shall be entitled to receive reasonable attorneys' fees in an amount not to exceed one-third of the
15 Maximum Settlement Amount, which amounts to Forty-Six Thousand Six Hundred Sixty-Six
16 Dollars and Sixty-Seven Cents (\$46,666.67). In addition, Plaintiff's Counsel shall be entitled to an
17 award of reasonable costs associated with Plaintiff's Counsel's prosecution of the Action in an
18 amount not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00). Plaintiff's Counsel
19 shall provide the Settlement Administrator with a properly completed and signed IRS Form W-9 in
20 order for the Settlement Administrator to process the Plaintiff's Counsel Award approved by the
21 Court. Defendant shall not oppose or object to Plaintiff's request for an award of attorneys' fees in
22 an amount not to exceed Forty-Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents
23 (\$46,666.67), and request for an award of reasonable costs not to exceed Twenty Thousand Dollars
24 and Zero Cents (\$20,000.00). In the event that the Court awards Plaintiff's Counsel less than Forty-
25 Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$46,666.67) in attorneys'
26 fees and/or Twenty Thousand Dollars and Zero Cents (\$20,000.00) in costs, the difference shall
27 become part of the Net Settlement Amount and shall be distributed to the LWDA and the Aggrieved
28 Employees. Plaintiff's Counsel shall be paid any Court-awarded attorneys' fees and costs no later

1 than ten (10) days after Defendant provides the Settlement Administrator with the full Maximum
2 Settlement Amount. Plaintiff's Counsel shall be solely and legally responsible to pay all applicable
3 taxes on the Plaintiff's Counsel Award. This Settlement is not conditioned upon the Court awarding
4 Plaintiff's Counsel any particular amount of attorneys' fees or costs.

5 d. Settlement Administration Costs.

6 i. The Settlement Administration fees and expenses, which are
7 estimated not to exceed Three Thousand Dollars and Zero Cents (\$3,000.00), shall be paid from
8 the Maximum Settlement Amount. The Parties agree to cooperate in the Settlement Administration
9 process and to make all reasonable efforts to control and minimize Settlement Administration
10 Costs.

11 ii. The Parties each represent they do not have any financial interest in
12 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator
13 that could create a conflict of interest.

14 iii. The Settlement Administrator shall keep the Parties timely apprised
15 of the performance of all Settlement Administrator responsibilities required by the Settlement. The
16 Settlement Administrator shall be authorized to establish a QSF pursuant to IRS rules and
17 regulations in which the Maximum Settlement Amount shall be placed and from which payments
18 required by the Settlement shall be made.

19 41. Settlement Administration.

20 a. Mailing of Settlement Packets. Within thirty (30) days of approval of the
21 Settlement by the Court, Defendant shall provide the Settlement Administrator with the Employee
22 Information for purposes of mailing the Settlement Packets to Aggrieved Employees. Prior to
23 mailing the Settlement Packets, the Settlement Administrator shall perform a search based on the
24 National Change of Address Database maintained by the United States Postal Service to update and
25 correct any known or identifiable address changes. Within ten (10) days of receiving the full
26 Maximum Settlement Amount from Defendant as provided herein, the Settlement Administrator
27 shall mail the Settlement Packets to all Aggrieved Employees via regular First Class U.S. Mail.
28 The Settlement Administrator shall exercise its best judgment to determine the current mailing

1 address for each Aggrieved Employee. The address identified by the Settlement Administrator as
2 the current mailing address shall be presumed to be the most current mailing address for each
3 Aggrieved Employee. The Parties agree that this procedure for notice provides the best notice
4 practicable to Aggrieved Employees and fully complies with due process.

5 b. Undeliverable Settlement Packets. Any Settlement Packet returned to the
6 Settlement Administrator as non-deliverable shall be re-mailed to the forwarding address affixed
7 thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt
8 to determine a correct address by the use of skip-tracing, or other type of automated search, using
9 the name, address, and/or Social Security number of the Aggrieved Employee involved, and shall
10 then perform a re-mailing to the Aggrieved Employee whose Settlement Packet was returned as
11 non-deliverable, assuming another mailing address is identified by the Settlement Administrator.

12 c. Determination of Individual Settlement Payments. The Settlement
13 Administrator shall determine the eligibility for, and the amount of, each Individual Settlement
14 Payment under the terms of this Settlement Agreement.

15 d. Disputes Regarding Administration of Settlement. Any dispute not resolved
16 by the Settlement Administrator concerning the administration of the Settlement shall be resolved
17 by the Court. Prior to any such involvement of the Court, counsel for the Parties shall confer in
18 good faith and make use of the services of mediator Hon. Brian C. Walsh (Ret.), if necessary, to
19 resolve the dispute without the necessity of involving the Court.

20 e. Accounting. The Settlement Administrator will provide an accounting under
21 oath to the Parties of the amounts paid out.

22 f. Monitoring and Reviewing Settlement Administration. The Parties have the
23 right to monitor and review the administration of the Settlement to verify that the monies allocated
24 under the Settlement are distributed in the correct amount, as provided for in this Settlement
25 Agreement.

26 42. Best Efforts. The Parties agree to use their best efforts to carry out the terms of this
27 Settlement.
28

1 43. Adjustment of Maximum Settlement Amount. The Maximum Settlement Amount
2 was negotiated and is premised on the understanding that the Aggrieved Employees collectively
3 worked approximately 1,635 Qualifying Pay Periods. In the event that this number increases by
4 more than ten percent (10%) (i.e., more than 1,798 Qualifying Pay Periods), then Defendant, in its
5 sole discretion, shall have the option of either (i) increasing the Maximum Settlement Amount
6 proportionately for each Qualifying Pay Period above the 10%; or (ii) changing the end date of the
7 Settlement Period to a date for which there are no more than +10% pay periods. Defendant shall
8 provide Plaintiff the final number of Qualifying Pay Periods within fourteen (14) days of execution
9 of this Settlement Agreement.

10 44. Nullification of Settlement. In the event: (i) the Court does not enter the Judgment;
11 or (ii) the Settlement does not become final for any other reason, this Settlement Agreement shall
12 be rendered null and void, any order or judgment entered by the Court in furtherance of this
13 Settlement shall be treated as void from the beginning, and this Settlement Agreement and any
14 documents related to it shall not be used in any other civil, criminal, or administrative action against
15 Defendant or any of the other Released Parties. In the event an appeal is filed from the Judgment,
16 or any other appellate review is sought, administration of the Settlement shall be stayed pending
17 final resolution of the appeal or other appellate review. Any fees incurred by the Settlement
18 Administrator prior to it being notified of the filing of an appeal from the Judgment, or any other
19 appellate review, shall be paid by Defendant to the Settlement Administrator.

20 45. No Admission by Defendant. Defendant denies all claims alleged in this Action and
21 denies all wrongdoing whatsoever by Defendant. Neither this Settlement Agreement, nor any of
22 its terms and conditions, nor any of the negotiations connected with it, is a concession or admission,
23 and none shall be used against Defendant as an admission or indication with respect to any claim
24 of any fault, concession, or omission by Defendant. The Parties agree that this Settlement
25 Agreement shall not be admissible in this or any other proceeding as evidence that Defendant is
26 liable to Plaintiff or any Aggrieved Employee, other than according to the terms of this Settlement
27 Agreement.

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1 46. Exhibits and Headings. The terms of this Settlement Agreement include the terms
2 set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
3 herein. The Exhibits to this Settlement Agreement are an integral part of the Settlement. The
4 descriptive headings of any paragraphs or sections of this Settlement Agreement are inserted for
5 convenience of reference only.

6 47. Interim Stay of Action. The Parties agree to stay and to request that the Court stay
7 all proceedings in the Action, except such proceedings necessary to implement and complete the
8 Settlement and enter the Judgment.

9 48. Amendment or Modification. This Settlement Agreement may be amended or
10 modified only by a written instrument signed by counsel for all Parties or their successors-in-
11 interest.

12 49. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute
13 the entire agreement between the Parties, and no oral or written representations, warranties, or
14 inducements have been made to Plaintiff or Defendant concerning this Settlement Agreement or its
15 Exhibits other than the representations, warranties, and covenants contained and memorialized in
16 this Settlement Agreement and its Exhibits. No other prior or contemporaneous written or oral
17 agreements may be deemed binding on the Parties.

18 50. Authorization to Enter into Settlement Agreement. Plaintiff's Counsel and Defense
19 Counsel warrant and represent they are expressly authorized by the Parties whom they represent to
20 negotiate this Settlement Agreement and to take all appropriate actions required or permitted to be
21 taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute
22 any other documents required to effectuate the terms of this Settlement Agreement. The Parties,
23 Plaintiff's Counsel, and Defense Counsel shall cooperate with each other and use their best efforts
24 to effect the implementation of the Settlement. In the event that the Parties are unable to reach
25 agreement on the form or content of any document needed to implement the Settlement, or on any
26 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the
27 Parties may seek the assistance of the Court and/or mediator Hon. Brian C. Walsh (Ret.) to resolve
28 such disagreement. The person signing this Settlement Agreement on behalf of Defendant

1 represents and warrants that he or she is authorized to sign this Settlement Agreement on behalf of
2 Defendant. Plaintiff represents and warrants that she is authorized to sign this Settlement
3 Agreement and that she has not assigned any claim, or part of a claim, covered by this Settlement
4 to a third-party. Plaintiff acknowledges that she has read this Settlement Agreement, that she fully
5 understands her rights, privileges, and duties under the Settlement Agreement, and that she enters
6 this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that she has had
7 the opportunity to consult with her attorneys to explain the terms of this Settlement Agreement and
8 the consequences of signing this Settlement Agreement. Additionally, the Parties have cooperated
9 in the drafting and preparation of this Settlement Agreement. Hence, in any construction made of
10 this Settlement Agreement, the same shall not be construed against any of the Parties.

11 51. Binding on Successors and Assigns. This Settlement Agreement shall be binding
12 upon, and inure to the benefit of, the successors and assigns of the Parties.

13 52. California Law Governs. All terms of this Settlement Agreement and the Exhibits
14 hereto shall be governed by and interpreted according to the laws of the State of California, without
15 giving effect to any law that would cause the laws of any jurisdiction other than the State of
16 California to be applied.

17 53. Counterparts. This Settlement Agreement may be executed in one or more
18 counterparts. All executed counterparts and each of them shall be deemed to be one and the same
19 instrument.

20 54. Jurisdiction of the Court. Following entry of the Judgment, the Court shall retain
21 jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this
22 Settlement Agreement and all orders and judgments entered in connection therewith, and the
23 Parties, Plaintiff's Counsel, and Defense Counsel submit to the jurisdiction of the Court for
24 purposes of interpreting, implementing, and enforcing the Settlement embodied in this Settlement
25 Agreement and all orders and judgments entered in connection therewith.

26 ///

27 ///

28 ///

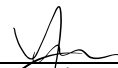
55. Invalidity of Any Provision. Before declaring any term or provision of this Settlement Agreement invalid, the Parties request that the Court first attempt to construe the terms or provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement as valid and enforceable.

IT IS SO STIPULATED.

Dated: 05/09/2025, 2025


Melanie Spainhower (May 9, 2025 16:18 PDT)
Plaintiff Melanie Spainhower

Dated: May 12, 2025


Defendant J.N. Restaurants, Inc.

By: Yasir Nadeem

Its: Operating Partner

Approved as to form and content:

Dated: May 9, 2025

MATERN LAW GROUP, PC

By: 
MATTHEW J. MATERN
LAUNA ADOLPH
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Attorneys for Plaintiff
MELANIE SPAINHOWER

Dated: May 12, 2025

WOOD, SMITH, HENNING & BERMAN LLP

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J.N. RESTAURANTS, INC.