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9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF LOS ANGELES**

11 NORMA GAMEZ,

12 Plaintiff,

13 vs.

14 YUM YUM DONUT SHOPS, INC. and
15 DOES 1 to 25, inclusive,

16 Defendants.

Case No.: 24STCV05324

**DECLARATION OF HAROUT
MESSRELIAN IN SUPPORT OF
UNOPPOSED MOTION FOR APPROVAL
OF PAGA SETTLEMENT**

Action filed: 3/4/24

Date: 6/17/25
Time: 9:15am
Dept: 15

Reservation ID:
217074412353

Department: 15, Hon. Richard Fruin

Submitted Herewith Under Separate Cover:

1. Plaintiff's Notice of Unopposed Motion for Approval of PAGA Settlement; Memorandum of Points and Authorities in Support Thereof;
2. [Proposed] Order

1 **DECLARATION OF HAROUT MESSRELIAN IN SUPPORT OF**
2 **UNOPPOSED MOTION FOR APPROVAL OF PAGA SETTLEMENT AND RELEASE**

3 I, HAROUT MESSRELIAN, declare and state as follows:

4 1. I am an attorney duly licensed to practice before all the Courts of the State of
5 California. I am the managing attorney of Messrelian Law Inc. and the attorney of record for
6 Plaintiff Norma Gamez (“Plaintiff”) in her lawsuit against Defendant YUM YUM DONUTS,
7 INC. (hereinafter “YUM YUM” or “Defendant(s)”).

8 2. I am experienced in handling employment law matters and specifically wage and
9 hour representative and individual actions. My qualifications are as follows: I received my JD
10 from Loyola Law School in 2010. I started my own law firm in 2011 – the Law Offices of Harout
11 Messrelian. Since 2016, I have been the founder and principal attorney at Messrelian Law, Inc.
12 Since 2011, I have filed and handled over 350 civil actions and/or claims involving representative
13 actions under the Private Attorneys General Act (“PAGA”) and/or wage and hour claims on
14 behalf of my clients and have been appointed Class Counsel in three class action cases –*Zohrab*
15 *Mekhitarian v. Triple Play Motors dba Bob Smith Toyota*, Los Angeles Superior Court Case No.
16 19STCV22411 (ADR Services, Inc., Case Number 20-2668-RWT), *Carina Camberos, on behalf*
17 *of herself and others similarly situated, v. Great American Chicken Corp, Inc.*, Los Angeles
18 Superior Court Case No. 21STCV32015, and *Robert Garcia, on behalf of himself and others*
19 *similarly situated v. HD Supply Management Inc.*, San Bernardino Superior Court Case No.
20 CIVSB2028067. I have a practice that encompasses cases in the Los Angeles Superior Courts,
21 the Orange County Superior Courts, the Riverside County Superior Courts, the San Bernardino
22 County Superior Courts, the Alameda County Superior Courts, Santa Clara County Superior
23 Courts, San Mateo County Superior Courts, and the Monterey County Superior Courts.

24 3. Except as otherwise indicated, I have personal knowledge of all matters set forth
25 herein and, if called as a witness, could and would competently testify thereto under oath.

26 ***Factual and Procedural Background***

27 4. Defendant is in the food industry and owns and operates donut shops throughout
28 California. Plaintiff Norma Gamez was classified as a non-exempt, hourly employee and worked

1 for Defendant from approximately 2016 through December 2023 as a cashier and food
2 preparation.

3 5. Plaintiff complied with the procedures of Labor Code § 2699.3 for bringing suit
4 under the Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, et seq.
5 (“PAGA”). On December 20, 2023, Plaintiff on behalf of herself and Defendant’s California
6 non-exempt employees (hereafter collectively the “Aggrieved Employees”) gave written notice
7 by electronic service to the California Labor and Workforce Development Agency (“LWDA”)
8 and via certified mail to Defendant of their claims against Defendant. In her notice to the LWDA,
9 Plaintiff asserted on behalf of herself and the Aggrieved Employees that Defendant (1) failed to
10 compensate for all hours worked and to pay minimum wages (Labor Code Sections 1194, 1197,
11 1197.1); (2) failed to pay overtime compensation (Labor Code Section 510); (3) failed to provide
12 rest breaks (Labor Code Section 226.7); (4) failed to provide meal breaks (Labor Code Sections
13 512, 226.7); (5) failed to timely pay wages due during employment (Labor Code Section 204);
14 (6) failed to provide accurate itemized wage statements (Labor Code Section 226); (7) failed to
15 keep accurate and complete payroll records (Labor Code Section 1174/1174.5); (8) failed to pay
16 wages at the end of employment (Labor Code section 203); (9) failed to reimbursement business
17 expenses (Labor Code section 2802); (10) failed to provide tips, and claims under Industrial
18 Welfare Commission Wage Orders 5-2001. Plaintiff filed her initial lawsuit on March 4, 2024,
19 in the Superior Court for the State of California, County of Los Angeles, Case No.
20 24STCV05324, with one cause of action for PAGA penalties based on the theories as outlined
21 in the PAGA letter.

22 6. Through informal discovery, Defendant produced records and represented that it
23 employed approximately 1322 employees falling within Plaintiff’s Aggrieved Employees
24 definition for the period from December 20, 2022 (one year before Plaintiff’s LWDA PAGA
25 notice) through January 16, 2025, and that there are paychecks issued for a total of
26 approximately 66,796 pay periods worked for that same time period.

27 7. The Settlement Agreement covers PAGA Members, which are Aggrieved
28 Employees employed on or after December 20, 2022 through the date of Court approval of the

1 PAGA Settlement.

2 8. Defendant denies any liability or wrongdoing of any kind whatsoever associated
3 with the lawsuit and the Representative PAGA Claim. It is the desire of the Parties to fully,
4 finally, and forever compromise, and discharge all claims known or unknown related to those
5 alleged in Plaintiff's lawsuit.

6 9. The parties attended a full-day mediation with experienced mediator Laurie
7 Quigley Saldana on January 16, 2025, and settled the matter. Before agreeing to the terms of the
8 Settlement, the Parties engaged in informal discovery regarding Defendant's policies, practices,
9 operations, time and payroll information and other topics. Prior to negotiation, Defendant
10 produced Plaintiff's personnel file, time and payroll data for Plaintiff, and time records and
11 payroll records for 1297 aggrieved employees falling within Plaintiff's Aggrieved Employees
12 definition and during the applicable PAGA period. Through extensive arm's length negotiations
13 and only after discovery and investigation were performed, the Parties agreed to settlement
14 terms. Attached as **Exhibit 1** is a true and accurate copy of the PAGA "Stipulation of Settlement
15 and Release" (hereinafter "Settlement Agreement") along with the notice that will be sent, with
16 payment, to the PAGA Members covered by the Settlement Agreement. As alluded to above,
17 the Parties negotiated the PAGA claims through arms-length negotiation during a private
18 mediation, and only after sufficient discovery was completed, including data being sent to
19 Plaintiff's data expert for analysis/review.

20 10. The Parties conducted investigation of the facts and law both before and after the
21 lawsuit was filed. Counsel for the Parties have further investigated the applicable law as applied
22 to the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code
23 violations claimed by Plaintiff. Based on their own independent investigations and evaluations,
24 the Parties and their respective counsel are of the opinion that the Settlement for the
25 consideration and on the terms set forth in this Motion are fair, reasonable and adequate and are
26 in the best interests of Plaintiff, the PAGA Members, and Defendant in light of all known facts
27 and circumstances and the risks inherent in litigation, especially in this post-pandemic era when
28 most California businesses, especially in the food/restaurant industry, are still struggling to

1 remain afloat, much less prosper and make a large profit.

2 11. The Parties further recognize that the issues presented in the Action are likely
3 only to be resolved with extensive and costly pretrial and trial proceedings, and that further
4 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate
5 to the maximum potential benefits, especially in light of the post- pandemic era and the business
6 climate.

7 12. Plaintiff alleges that the strongest claims are that Plaintiff and other PAGA
8 Members were not provided meal and rest breaks under the law.

9 13. Plaintiff contends that the civil penalty statutes applicable to the Action arise
10 from violations of the California Labor Code, including, but not limited to, Labor Code §§ 226.7,
11 512, 558, and 2699(f)(2). Under these civil penalty statutes, an employee who suffers a Labor
12 Code violation may be awarded a sum of money for each pay period in which he or she was
13 underpaid. However, under Labor Code § 2699(e)(2), the Court can reduce an award of civil
14 penalties if the award is unjust, arbitrary, oppressive, or confiscatory.

15 14. As it relates to Plaintiff's argument for meal break violations, Plaintiff's data
16 analysis revealed a very slight shift violation rate of .7% for short, late, or no meal breaks for
17 shifts that were 5 hours or greater. The data revealed that 95.8% of shifts in the sample were 5
18 hours or greater. As such, we are dealing with alleged violations covering 63,991 pay periods
19 [66,796 pay periods x 95.8%]. If you extrapolate the .7% shift violation rate, it amounts to 7.3%
20 of pay periods having at least one meal period violation. As such, the maximum exposure for
21 meal period violations in the PAGA period, which Plaintiff understands Defendant disputes,
22 would be **\$233,550**, which is calculated as follows: 63,991 pay periods x 7.3% equals 4,671
23 affected pay periods; 4,671 pay periods x \$50/pay period (civil penalty) amounts to \$233,550 in
24 exposure. The latter exposure calculation does not take into account the fact that Defendant paid
25 meal period premiums during the PAGA period.

26 15. As it relates to Plaintiff's argument for rest break violations, Plaintiff
27 extrapolated the meal break violation and used it for the rest break analysis. The data revealed
28 that 98.6% of shifts in the sample were 3.5 hours or greater. As such, we are dealing with alleged

1 violations covering 65,861 pay periods [66,796 pay periods x 98.6%]. If you extrapolate the .7%
2 shift violation rate for meal periods discussed above, which Plaintiff recognizes Defendant
3 disputes, it amounts to 7.3% of pay periods having at least one rest period violation. As such,
4 the maximum exposure for rest period violations in the PAGA period would be **\$480,800**, which
5 is calculated as follows: 65,861 pay periods x 7.3% equals 4,808 affected pay periods; 4,808
6 pay periods x \$100/pay period (civil penalty) amounts to \$480,800 in exposure. The latter
7 exposure calculation does not take into account the fact that there was no evidence on paper of
8 rest period violations since rest periods were not tracked by Defendant's timekeeping system –
9 nor does the law require tracking – as is common for most businesses in California.

10 16. As it relates to Plaintiff's other claims, there would be substantial issues with
11 proof. As it relates to Plaintiff's claims for rounding, Plaintiff's expert found no evidence of
12 rounding in the sample, with hours being paid to the second decimal point. In terms of any
13 potential regular rate issue as it relates to overtime or meal/rest period premiums based on
14 bonuses made, while bonuses were seen in the data, they were argued to be discretionary
15 bonuses paid to managers. As it relates to straight overtime issues, the data showed that overtime
16 hours were paid correctly when employees did in fact work overtime. Regardless, per the data,
17 the average hours worked per day was 7.6 hours, which is less than the 8-hour overtime
18 threshold for daily overtime. As it relates to Plaintiff's claim of business expense
19 reimbursement, Defendant argued that cell phones were not required for work purposes and that
20 portions of the uniform were provided by Defendant and any other articles of clothing that were
21 worn by aggrieved employees were not of a specific or distinctive design and could be worn
22 outside of work as well. Plaintiff's claim for failure to pay tips would also likely fail based on a
23 company policy prohibiting tips from being collected in the first place. Plaintiff's other claims
24 are derivative claims for violations of Labor Code sections 203, 204, and 226 for not being paid
25 all wages owed every pay period or at the end of employment as well as not receiving accurate,
26 itemized wage statements would not be triggered since meal and rest period violations do not
27 trigger these derivative claims.

28 17. Based on the above calculations, Plaintiff's aggregate exposure for the strongest

1 disputed claims, which again Plaintiff understands Defendant disputes, would be **\$714,350**.
2 Assuming that Plaintiff's calculations and analysis are accurate, the maximum exposure
3 presumes that the Court will not reduce the penalty award as unjust, arbitrary, oppressive, or
4 confiscatory. Based on the above analysis, a gross settlement in the amount of \$398,000 is a
5 very strong result, especially in light of the risk factors as discussed above.

6 18. Moreover, Plaintiff is aware of no California state courts awarding Plaintiff
7 multiple PAGA penalties for the same violation for the same pay period under different Labor
8 Code provisions. As such, one of the risks Plaintiff faces is that the Court would refuse to "stack"
9 civil penalties arising under the various Labor Code statutes. Furthermore, judges have awarded
10 extremely small sums to PAGA claimants in the past. Defendant also adamantly disputes all of
11 Plaintiff's allegations in the operative Complaint.

12 19. PAGA states a court has discretion to award a lesser amount than the maximum
13 penalty. *See Lab. Code* § 2699(e)(2) ("...a court may award a lesser amount than the maximum
14 civil penalty amount specified by this part if, based on the facts and circumstances of the
15 particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive,
16 or confiscatory."); *see also Thurman v. Bayshore Transit Management, Inc.* (2012) 203
17 Cal.App.4th 1112, 1135 (reducing PAGA award). There is a substantial risk that the Court could
18 reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff's evidence of
19 willful and intentional conduct. *Carrington v. Starbucks* (2018) 30 Cal.App.5th 504
20 ("*Carrington*") illustrates this. In that case, the Court of Appeal affirmed a trial court's heavily
21 discounted award of only \$5 per violation because it was within the Court's discretion to
22 significantly reduce PAGA penalties even when there is a finding that a violation of the
23 California Labor Code occurred. The plaintiff in *Carrington* had requested penalties in excess of
24 \$70 million and was successful in proving the PAGA claim during a bench trial. However, the
25 trial court reduced the total award after trial to only \$150,000 (30,000 violations x \$5) and stated
26 that this reduction was warranted because imposing the maximum penalty would be "unjust,
27 arbitrary, and oppressive", based on Starbucks's "good faith attempts" to comply with meal break
28 obligations and because the Court found the violations were minimal. Applying the same formula

1 here and assuming there was one violation during each pay period, the award of civil penalties
2 could not exceed \$333,980 in PAGA penalties (66,796 violations x \$5). As such, this Settlement
3 is a great result based solely on the risk the Court chooses to apply the *Carrington* formula.
4 Defendant has also posed formidable defenses to the Labor Code claims underlying Plaintiff's
5 allegations. Thus, the chance of Plaintiff recovering a higher amount than the Gross Settlement
6 Amount is uncertain.

7 20. The Parties further recognize that the issues presented in the Action are likely
8 only to be resolved with extensive and costly pretrial and trial proceedings, and that further
9 litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate
10 to the maximum potential benefits to the PAGA Members and Plaintiff from continued
11 litigation.

12 21. The settlement of the Action involves monetary relief to all PAGA Members,
13 Plaintiff, her attorneys, and the State of California.

14 22. Furthermore, Plaintiff recognizes that continued litigation presents significant
15 risks that support a significant downward departure from Plaintiff's estimated civil penalties
16 amount. In view of the risks, the Settlement represents a fair, adequate, and reasonable
17 compromise amount for these claims and is in the best interest of Plaintiff and PAGA Members
18 and thus, warrants approval. *See Laguna v. Coverall N. Am., Inc.*, Case No. 12-55479 (9th Cir.
19 June 3, 2014) 2014 WL 2465049, * 3. The PAGA settlement and its terms are fair, just,
20 reasonable, adequate, and equitable to Defendant, Plaintiff, and the State, especially in light of
21 the current economic climate, and are the product of good faith, and informed arms-length
22 negotiations between the Parties consistent with public policy and fully comply with applicable
23 provisions of law.

24 23. As such, the settlement of PAGA penalties in the gross sum of \$398,000.00, of
25 which 75% of the net amount after attorney's fees [\$139,300], attorney costs [\$6,466.48], and
26 settlement administrator fees [\$9,250.00], which is \$182,237.64 will be paid to the LWDA, and
27 25%, which equates to \$60,745.88, will be distributed to the PAGA Members, is reasonable and
28 appropriate under the circumstances.

Plaintiff's Individual Settlement

1 24. Plaintiff did have individual claims for retaliation in violation of Labor Code
2
3 sections 98.6 and 1102.5 as well as retaliation under the Fair Employment and Housing Act
4 (“FEHA”); and wrongful termination in violation of public policy, that were also settled by the
5 parties. The parties agreed that the consideration Plaintiff received pursuant to an individual
6 settlement agreement was to settle her individual claims. As part of this confidential agreement,
7 Plaintiff also provided Defendant with a general release of all claims, whether known or
8 unknown, including unknown claims covered by Civil Code Section 1542. Plaintiff has no
9 conflict of interest with the absent Aggrieved Employees and is adequate to represent the
10 Aggrieved Employees.

11 ***Attorneys’ Fees and Costs***

12 25. I represent Plaintiff on a straight contingency basis. My firm’s request for
13 \$139,300 [35%] in attorney fees and \$6,466.48 in litigation costs is fair and reasonable. To date,
14 I have investigated and prosecuted this matter vigorously, including drafting the initial PAGA
15 notice as well as the original complaint; drafting informal discovery questions, reviewing
16 Defendant’s informal data and document production, including their handbook and other written
17 policies; sending and receiving emails on the case with defense counsel; sending the PAGA data
18 to Plaintiff’s expert for review/analysis and reviewing the expert’s findings/conclusions;
19 preparing for mediation and engaging in a private mediation; and drafting this PAGA approval
20 motion. I also expect to perform additional work on this case if the Court grants final approval
21 of the Settlement, including supervision of the Settlement Administrator’s disbursement of the
22 settlement funds to the Aggrieved Employees. “Empirical studies show that, regardless of
23 whether the percentage method or the lodestar method is used, fee awards in class actions
24 average around one-third of the recovery. *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 47
25 fn. 11 (quoting *Shaw v. Toshiba America Information Systems, Inc.* (E.D. Tex. 2000) 91
26 F.Supp.2d 942, 972; *See also Lafitte v. Robert Half Int’l Inc.* (Cal. Aug. 11, 2016) 1 Cal.5th 480,
27 503, 376 P.3d 672, 686 (holding that courts can use the percentage method for the calculation
28 of attorneys’ fees). This is also consistent with my experience in cases involving PAGA claims.

1 This award is justified here because I achieved a strong result for the PAGA Members and the
2 State while bearing the substantial burdens of contingency representation.

3 26. My previous experience in litigating wage and hour actions also supports the
4 reasonableness of the fee request, as does the caliber of opposing counsel. My previous
5 experience in similar matters was integral in evaluating the strengths and weaknesses of the
6 case against Defendant and the reasonableness of the Settlement. Because it is reasonable to
7 compensate me commensurate with my skill, reputation, and experience, attorney's fees of
8 approximately 35% of the Gross Settlement Amount is reasonable. Likewise, the caliber and
9 experience of opposing counsel in labor and employment litigation supports the fairness and
10 reasonableness of the requested fee award.

11 27. The litigation costs expended to aid in the representation of the PAGA Members
12 include the following: lawsuit filing fee of \$454.22; lawsuit service fee of \$80.00; PAGA initial
13 filing fees of \$75.00; expert data analysis fee of \$850.00; mediation fee of \$5,000.00; and
14 miscellaneous filing fees of \$7.26 for a total of \$6,466.48. All of these costs are documented
15 and reasonably incurred.

16 ***Settlement Administration Costs***

17 28. With regard to the settlement administration costs provision, it is reasonable.
18 Before agreeing to Apex Class Action Administrators ("Apex"), the parties sought and reviewed
19 bids from other reputable third-party administrators, including ILYM and Phoenix, and Apex's
20 bid was comparable. Apex's bid has been attached as **Exhibit 2** to this declaration.

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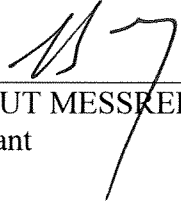
28 ///

Notice of Settlement to the LWDA

29. Pursuant to Lab. Code § 2699(1)(2), my firm submitted a copy of the Settlement with the LWDA at the same time the Settlement is being filed with the Court. True and correct copies of this submission with the LWDA and the confirmation email are collectively attached as **Exhibit 3** to this declaration. My firm will further provide a copy of the Court's Order and Judgment to the LWDA within ten (10) calendar days after entry of said judgment or order as required by Labor Code sections 2699(1)(2)-(3).

I declare under the penalty of perjury of the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed on May 22, 2025, at Glendale, California.



HAROUT MESSRELIAN,
Declarant

EXHIBIT 1

STIPULATION OF SETTLEMENT AND RELEASE

This PAGA Settlement Agreement (“Settlement Agreement”) is made by and between plaintiff Norma Gamez (“Plaintiff”) and defendant Yum Yum Donut Shops, Inc. (“Defendant”) in connection with the case entitled *Norma Gamez v. Yum Yum Donut Shops, Inc.*, Case No. 24STCV05324 (the “*Gamez Lawsuit*”), pending in the Superior Court of the State of California, Los Angeles County. The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

Plaintiff is represented by Messrelan Law Inc. (“PAGA Counsel”). Defendant is represented by Janel R. Ablon and Jacob R. Lahana of Littler Mendelson P.C. (“Defense Counsel”).

Procedural History

On or about March 4, 2024, Plaintiff filed her Complaint with a single cause of action for Violation of the Private Attorneys General Act (“PAGA”). This Complaint followed a December 20, 2023, notice to the California Labor & Workforce Development Agency (“LWDA”). Plaintiff alleged that Defendant: (1) failed to pay minimum wage; (2) failed to pay overtime; (3) failed to provide rest periods; (4) failed to provide meal periods; (5) failed to pay all wages due; (6) failed to provide accurate wage statements; (7) failed to keep accurate and complete payroll records; (8) failed to pay all wages due at separations; (9) failed to reimburse business-related expenses and costs; (10) failed to pay tips.

On or about July 24, 2024, the Parties stipulated to mediate the matter and stipulated to arbitrate Plaintiff’s individual claims and to stay the representative claims pending arbitration.

On January 16, 2025, the Parties to the *Gamez Lawsuit* met with mediator Laurie Quigley Saldaña, Esq. to attempt to resolve the *Gamez Lawsuit*. The Parties agreed, subject to approval by the Court, to the Settlement of the *Gamez Lawsuit*. The Parties further agreed to enter into this Settlement Agreement to memorialize their settlement of the *Gamez Lawsuit*.

Accordingly, in consideration of the promises and warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings set forth below, Plaintiff individually and as a representative of the PAGA Members and the State of California, and Defendant agree that the *Gamez Lawsuit* is finally and fully compromised and settled on the following terms and conditions:

Definitions

1. **Approval** means the Court’s order granting approval of the Settlement.

2. **Approval Hearing** means the Court's hearing on the Motion for Approval of the Settlement.

3. **Court** means the Superior Court of California, County of Los Angeles.

4. **Effective Date of the PAGA Settlement** means the later of the following events: five calendar days after the period for filing any appeal, writ, or other appellate proceeding opposing Approval has elapsed without any appeal, writ, or other appellate proceeding having been filed, i.e., 65 days from the date the court grants approval and enters judgment; or, if any appeal, writ, or other appellate proceeding opposing Approval has been filed, five business days after any appeal, writ, or other appellate proceedings opposing the Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief. No funding of the Settlement shall occur until at least fifteen (15) calendar days after the Effective Date.

5. **Entire Action** means and refers to the PAGA Notice as defined below, and the Complaint.

6. **Gamez Lawsuit** means the Plaintiff's lawsuit alleging wage and hour violations against Defendant captioned *Norma Gamez v. Yum Yum Donut Shops, Inc.* initiated on March 4, 2024, and pending in Superior Court of the State of California, County of Los Angeles, Case No. 24STCV05324.

7. **Gross PAGA Settlement Amount** means Three Hundred and Ninety-Eight Thousand Dollars (\$398,000.00), which includes all attorneys' fees and costs/expenses petitioned by PAGA Counsel, PAGA payments to Plaintiff, Norma Gamez, costs of administration of the Settlement, and any and all payments to the LWDA and the PAGA Members. Defendant will owe nothing more than this Gross Settlement Amount under this Settlement Agreement.

8. **Judgment** means the judgment entered by the Court based upon Approval.

9. **Net PAGA Fund** means the allocation of the remaining Gross PAGA Settlement Amount, less the Court approved amounts for PAGA Counsel's attorneys' fees and costs, and Settlement Administrator's costs (as defined below).

10. **PAGA Employee Payment** means the payment issued to each PAGA Employee for his/her/their share of the PAGA Payment.

11. **PAGA Members** refers to all non-exempt, hourly employees who worked for Defendant in California during the PAGA Period (as defined below).

12. **PAGA Notices** mean Plaintiff's December 20, 2023, letters to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

13. **Pay Period** means any pay period during which a PAGA Member worked for Defendant for at least one day during the PAGA Period.

14. **PAGA Period** means the time from December 20, 2022 through the Release End Date that current and former individuals were employed by Defendant as non-exempt employees in California.

15. **PAGA Settlement Agreement** means and refers to the instant settlement agreement intended to settle the PAGA claims in the *Gamez Lawsuit*.

16. **Plaintiff** means Norma Gamez, the named plaintiff in the Action.

17. **Release End Date** means the period which will end at the date of Approval.

18. **Released Claims** means the claims being released as described in Paragraph 2 below.

19. **Released Parties** means Defendant and any of its past, present and future direct or indirect parents, sister entities, subsidiaries, predecessors, successors and affiliates, as well as each of their past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendant.

20. **Settlement** means the disposition of the *Gamez Lawsuit* effected by this Settlement Agreement, the Individual Settlement Agreement and the Judgment.

21. **Settlement Administrator** means Apex.

Terms

1. PAGA Members

For purposes of this Settlement Agreement only, the Parties stipulate that the cohort of aggrieved employees are the PAGA Members.

2. Release

Upon the funding of the Gross Settlement Amount, the claims released by the PAGA Employees will include all PAGA claims pled in the *Gamez Lawsuit* and any PAGA letter sent to the LWDA by Plaintiff in or prior to the Lawsuit, and any PAGA claims which could have been alleged under the facts, allegations and/or claims pled in the *Gamez Lawsuit* or any PAGA letter sent to the LWDA by Plaintiff in or prior to the *Gamez Lawsuit*, against the Released Parties (as defined below), for work performed during the PAGA Period, including the following:

- a. Claims under the California Labor Code and California Industrial Welfare Commission Wage Orders that were alleged, specifically California Labor Code Sections 201, 202, 203, 204, 204(b), 210, 226, 226(a), 226.3, 226.7, 351, 353, 510, 512, 558, 1174, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802,

and Wage Order No. 5, or which could have been alleged under the facts in the *Gamez Lawsuit* or any PAGA letter sent to the LWDA by Plaintiff in or prior to the *Gamez Lawsuit*;

- b. The claims set forth in subparagraph (a) hereinabove shall be collectively referred to as the “Released Claims.”

Released Parties includes Defendant and any of its past, present and future direct or indirect parents, sister entities, subsidiaries, predecessors, successors and affiliates, as well as each of their past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendant.

In addition, as to the claims of Plaintiff only, the Released Claims in the Settlement Agreement further include, without limitation, any and all PAGA claims.

3. Gross PAGA Settlement Amount

As consideration for the Released Claims, (1) within 20 calendar days after the Effective Date, Defendant agrees to fund the Gross Settlement Amount; and (2) within 30 calendar dates after the Effective Date, the Settlement Administrator shall distribute these funds as follows:

- (a) Defendant agrees to pay Three Hundred and Ninety-Eight Thousand Dollars (\$398,000.00) (the “Gross PAGA Settlement Amount”) to resolve the claims of the PAGA Employees. The Gross PAGA Settlement Amount will include all payments to be made to the Labor and Workforce Development Agency (“LWDA”), the PAGA Employees, attorneys’ fees, and costs approved by the Court. In no event shall Defendant be liable for the payment of any amounts exceeding those set forth above in this section.
- (b) The Gross PAGA Settlement Amount less court approved attorneys’ fees and costs, PAGA payment to the LWDA, and claims administrator costs shall constitute the “PAGA Aggrieved Fund.” The PAGA Aggrieved Fund will be distributed to all PAGA Employees. There will be no claims process and no reversion.
- (c) The Net Settlement Amount shall be distributed to the LWDA (75% of the Net Settlement Amount) and the PAGA Members (25% of the Net Settlement Amount).
- (d) Once Defendant has deposited the Gross Settlement Amount with the Settlement Administrator, it will be deemed to have satisfied all terms and conditions under this Settlement Agreement, shall be entitled to all protections afforded to Defendant under this Settlement Agreement, and shall have no further obligations under the terms of the Settlement Agreement regardless of what occurs with respect to those sums.

Additionally, no Released Party shall have any further obligation or liability to the Plaintiff or PAGA Members under this Settlement Agreement.

4. Attorneys' Fees and Expenses, Enhancement Awards and Administration Costs

(a) Attorneys' Fees

PAGA Counsel may petition the Court for attorneys' fees not to exceed 35% from the Gross PAGA Settlement Amount, plus reasonable costs/expenses, subject to approval by the Court. Attorneys' fees paid pursuant to this Settlement Agreement shall be inclusive of all fees in this matter. Defendant agrees not to object to Settlement PAGA Counsel's fees from the Gross PAGA Settlement Amount and reasonable costs/expenses approved by the Court, which shall also be included in the Gross PAGA Settlement Amount. Any reduction by the Court of PAGA Counsel's claimed attorneys' fees and/or reasonable costs/expenses shall not be sufficient grounds to void the Settlement.

(b) No Representative Enhancement

The parties agree that Plaintiff shall not receive a PAGA enhancement.

(c) PAGA Aggrieved Fund Distribution

The PAGA Aggrieved Fund shall be allocated on a per Pay Period basis.

- a. To arrive at the PAGA Employee Payment, the portion of the PAGA Payment allocated to the PAGA Employees shall be divided among the PAGA Employees on a pro-rata basis, based upon the following:

Each PAGA Employee's Pay Period count, which shall be the sum of the total number of Pay Periods the PAGA Employee worked during the PAGA Period; Divided by the combined sum of all PAGA Employees' Pay Period counts; and Multiplied by the total amount allocated to the employee portion of the PAGA Payment.

- b. Defendant will provide a list of individuals falling into the PAGA period and the number of Pay Periods worked within that period.
- c. Upon the funding of the Gross Settlement Amount, all PAGA Members shall be deemed to have released their PAGA claims in their entirety. All PAGA payment distributions to PAGA Members shall be treated as non-wages for tax purposes.

PAGA Members shall be responsible for the proper payment of the employee's taxes on all payments and any tax withholding and deductions shall be deducted from any payments hereunder as required by law and paid from the Net Settlement Amount. The Parties further agree that the PAGA payment distributed to each PAGA Member will be treated entirely as civil

penalties and will be reported as such to each PAGA Member on an IRS Form 1099-MISC, if applicable.

5. Aggrieved Employee Size Estimates and Escalator Clause

- a) Based on its records, Defendant estimates that, as of the date of mediation, January 16, 2025, there were 1,322 aggrieved employees who worked 66,796 Pay Periods during the PAGA Period.
- b) Defendant has represented that there are approximately 66,796 Pay Periods in the PAGA Period. If the number of Pay Periods increases by more than 25%, or 83,495 Pay Periods during the PAGA Period, then the Settlement Amount will be increased, subject to Defendant's discretion as set forth below, on a pro-rata basis for any Pay Period added above the 25% increase. For example, if the number is 26% higher, the Gross PAGA Settlement Amount will be increased by 1%. However, the Defendant may, in its sole discretion, cut off the release when 83,495 Pay Periods are reached in lieu of an increase in the Gross PAGA Settlement Amount.

6. Settlement Administrator

The Settlement Administrator expenses subject to Court Approval shall not exceed \$9,250.00 to administer the Settlement.

7. Motion for PAGA Settlement Approval and Judgment

Upon execution of this Settlement Agreement, Plaintiff shall apply to the Court for the entry of an Order and Judgment:

- a. Approving PAGA Counsel's request for attorneys' fees and costs;
- b. Approving Apex as Settlement Administrator and expenses for settlement administration not to exceed \$9,250 (nine thousand two-hundred and fifty dollars and zero cents);
- c. Approving this Settlement Agreement and its terms, including but not limited to:
 - i. Entering judgment fully and finally releasing and discharging the Released Parties as to all PAGA Members and the LWDA and forever barring and enjoining the assertion of the Released Claims as to all such PAGA Members and the LWDA, as detailed herein, including Section 2, above.

8. Distribution of the Gross Settlement Amount

- a. Defendant agrees to provide the Settlement Administrator, within 20 calendar days of the Effective Date of the PAGA Settlement Agreement, a database containing the following information: (1) the full name, and last known address and full social security number of all PAGA Members; and (2) the information necessary to determine the settlement allocation to each PAGA Member, including without limitation, the total number of Pay Periods worked by each PAGA Member during the PAGA Period.
- b. Upon receipt of this information, the Settlement Administrator shall: (i) run the names of all PAGA Members through the National Change of Address ("NCOA") database to determine any updated addresses for PAGA Members; and (ii) update the addresses of any PAGA Member for whom an updated address was found through the NCOA search.
- c. No later than 30 calendar days from receipt of the Gross Settlement Amount and database described in this section, the Settlement Administrator shall mail the Settlement Packet (comprised of the Notice of Settlement Award and individual settlement amount to the respective PAGA Member) to each PAGA Member at his or her last known address or at the updated address found through the NCOA search and retain proof of mailing.
- d. Any Settlement Packets returned to the Settlement Administrator as undelivered shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Settlement Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Settlement Packet to the PAGA Member promptly, and in any event within three (3) business days of obtaining the updated address.
- e. A PAGA Member must cash his or her individual settlement payment check within 180 calendar days after it is mailed to him or her. If a check is returned to the Settlement Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the PAGA Member at his or her correct address. If any PAGA Member's individual settlement payment check is not cashed within 120 days of its initial issuance to the PAGA Member, the Settlement Administrator will send the PAGA Member a postcard, dated 120 days from the initial mailing, informing him or her that, unless the check is cashed within 60 days of the date of this postcard, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed. If the check remains uncashed by the expiration of the 60-day period after this interim notice, the Settlement Administrator will keep an accounting of such funds, including the identification of the PAGA Member. The Settlement Administrator will then transmit said funds to the State of California State Controller's Office Unclaimed Property Fund, in the PAGA Member's name to be held as unclaimed property for the PAGA Member.

In such event, the PAGA Member will nevertheless remain bound by the Settlement Agreement and the releases contained herein.

9. Confidentiality

Plaintiff, PAGA Counsel, and Defense Counsel will not make any public disclosure of the Settlement until the filing of the motion for PAGA settlement approval, except that Plaintiff and PAGA Counsel may disclose the Settlement to the LWDA prior to the filing of the motion for approval of the PAGA settlement. However, the terms of any separate, individual confidential settlement agreement will be subject to the confidentiality of such agreement. Plaintiff and PAGA Counsel represent that they have not made any disclosures which are contrary to the terms of the Settlement Agreement. PAGA Counsel will take all steps necessary to ensure that Plaintiff is aware of, and will encourage her to adhere to, the restriction against any public disclosure of the Settlement until after the motion for PAGA settlement approval is filed with the Court. Thereafter, Plaintiff and PAGA Counsel agree not to publicize the terms of this Settlement with the media, including but not limited to, any newspaper, journal, magazine, website and/or online platform or reporter of settlements or on any website, including, but not limited to, Messrelan Law's website or advertisements for Messrelan Law.

10. Voiding Agreement

Parties' Right to Terminate. Plaintiff or Defendant may terminate this Settlement if, after submitting the Settlement Agreement for approval to the Court, the Court declines to enter an order approving the PAGA settlement or judgment in substantially the form submitted by the Parties or if the Settlement Agreement, as agreed, does not become final because of appellate court action. If the Court requests non-material changes to the Settlement Agreement, the Parties will cooperate in good faith to make such changes and to seek approval of an amended Settlement Agreement, which shall not be grounds for termination of the Settlement. The terminating Party shall give to the other party (through its/her counsel) written notice of its decision to terminate no later than fourteen (14) calendar days after receiving notice that one of the enumerated events has occurred. Termination shall have the following effects:

- a. The Settlement Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms.
- b. In the event the Settlement Agreement is terminated, Defendant shall have no obligation to make any payments to any party, PAGA Member or attorney, except to the extent that the Settlement Administrator has incurred costs, in which case the Party electing to terminate the Settlement Agreement shall pay all costs incurred by the Settlement Administrator through the date of termination.
- c. Any Approval order and Judgment shall be vacated.
- d. The stipulation of settlement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions prior to the settlement.

- e. Except as otherwise discoverable, neither this Settlement Agreement nor any ancillary documents, actions, statements or filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the *Gamez* Lawsuit, or any other action for any purpose whatsoever.

11. Non-Admission of Liability

Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, that it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract, violated or breached any duty; or engaged in any misrepresentation or deception. The Parties agree that the Court has not evaluated manageability of any PAGA claim. Defendant denies all liability for the claims alleged in the *Gamez* Lawsuit and that any PAGA Member is owed any damages or penalties, or is entitled to any relief arising from the alleged claims. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code section 1152. The Parties consent to the continuing jurisdiction of the Court for the purposes of enforcement of the Settlement, pursuant to California Code of Civil Procedure section 664.6.

12. Warranties and Representations

Each of the Parties to this Settlement Agreement and or their agent covenants and warrants that (a) they have full power and authority to enter into and consummate all transactions contemplated by this Settlement Agreement and have duly authorized the execution, delivery and performance of this Settlement Agreement; (b) the person executing this Settlement Agreement has the full right, power and authority to enter into this Settlement Agreement on behalf of the party for whom he/she has executed this Settlement Agreement, and the full right, power and authority to execute any and all necessary instruments in connection herewith, and to fully bind such party to the terms and obligations of this Settlement Agreement; and (c) they 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. Further, Plaintiff and PAGA Counsel warrant and represent that there are no liens on the Settlement Agreement, and that Defendant may distribute funds to the PAGA Members, PAGA Counsel, and the Plaintiff as provided by this Settlement Agreement.

13. Waiver and Amendment

The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all counsel, and subject to any necessary Court approval.

A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

14. Res Judicata

Plaintiff agrees that the Released Parties can assert this Settlement Agreement and the Order of Approval and Judgment as a defense to any future claims for penalties brought by the LWDA or any claims brought under PAGA on behalf of the LWDA for any Released Claims alleged to have occurred during the PAGA Period. The Parties intend this PAGA settlement and the resulting judgment to have claim preclusive effect, issue preclusive effect, estoppel effect and to otherwise bar a representative action to the fullest extent permissible under applicable law if the LWDA or any allegedly aggrieved employee were to bring a subsequent claim on behalf of the LWDA for any act or omission based on the same factual predicates as the *Gamez* Lawsuit and alleged to have occurred during the PAGA Period.

15. Enforcement Action

In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, 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.

16. Notices to Counsel

All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant:

Janel R. Ablon
jablon@littler.com
Jacob R. Lahana
jlahana@littler.com
Littler Mendelson P.C.
2049 Century Park East, 5th Floor
Los Angeles, CA 90067

if to Plaintiff:

Harout Messrelian
hm@messrelianlaw.com
Messrelian Law Inc.
500 N. Central Ave., Suite 840
Glendale, California 91203

17. Binding Agreement

This Agreement shall be binding and shall inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and legal representatives.

18. Ongoing Cooperation

The Parties shall support the Settlement, execute all documents and take such steps as are reasonably necessary to effectuate the Settlement and the terms of this Settlement Agreement.

19. Governing Law

This Settlement Agreement shall be interpreted, construed, enforced, and administered in accordance with the laws of the State of California.

20. Severability

The Parties to this Settlement Agreement agree, covenant, and represent that each and every provision of this Settlement Agreement shall be deemed to be contractual, and that they shall not be treated as mere recitals at any time or for any purpose. Therefore, the Parties further agree, covenant, and represent that each and every provision of this Settlement Agreement shall be considered severable, except for the release provisions of Paragraph 2 of this Agreement. If a court of competent jurisdiction finds the release provisions of Paragraph 2 of this Settlement Agreement to be unenforceable or invalid as against a PAGA Member or the LWDA, then this Settlement Agreement shall become voidable by Defendant, at Defendant's election but still subject to Defendant's obligation in Paragraph 10 to cooperate in good faith to make such changes and to seek approval of an amended Settlement Agreement. If a court of competent jurisdiction finds any provision, other than the release provisions of Paragraph 2, or part thereof to be invalid or unenforceable for any reason, that provision, or part thereof, shall be severed from the Settlement Agreement, and all of the remaining provisions of this Settlement Agreement shall remain in full force and effect.

21. Entire Agreement

This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

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22. Counterparts

This Settlement Agreement may be executed by one or more Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

23. Captions

The captions and headings in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the provisions of this Settlement Agreement.

24. Mutual Preparation of Agreement

The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement shall not be construed more strictly against one party than another 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 arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

IT IS SO AGREED.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date(s) set forth below.

Dated: May 1, 2025

YUM YUM DONUT SHOPS, INC.

By: 

Name: Lincoln Watase

Title: President

Dated: _____, 2025

NORMA GAMEZ

By: _____
Plaintiff and PAGA Representative

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22. Counterparts

This Settlement Agreement may be executed by one or more Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

23. Captions

The captions and headings in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the provisions of this Settlement Agreement.

24. Mutual Preparation of Agreement

The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement shall not be construed more strictly against one party than another 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 arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

IT IS SO AGREED.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date(s) set forth below.

Dated: _____, 2025

YUM YUM DONUT SHOPS, INC.

By: _____

Name:

Title:

Dated: 4/25, 2025

NORMA GAMEZ

By: 
ID: XedUPhRQneS5zv9zasA7cmn8

Plaintiff and PAGA Representative

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APPROVED AS TO FORM:

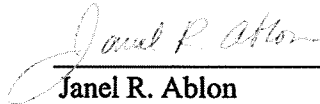
MESSRELIAN LAW INC.

Dated: _____, 2025

Harout Messrelian
Counsel for Plaintiff Norma Gamez

LITTLER MENDELSON P.C.

Dated: May 22,, 2025



Janel R. Ablon
Jacob R. Lahana
Counsel for Defendant
Yum Yum Donut Shops, Inc.

4861-6760-8912.1 / 069996-1042

APPROVED AS TO FORM:

MESSRELIAN LAW INC.

Dated: 4/29, 2025



Harout Messrelian
Counsel for Plaintiff Norma Gamez
LITTLER MENDELSON P.C.

Dated: _____, 2025

Janel R. Ablon
Jacob R. Lahana
Counsel for Defendant
Yum Yum Donut Shops, Inc.

4861-6760-8912.1 069996-1042

NOTICE OF PAGA SETTLEMENT

Gamez v. Yum Yum Donut Shops, Inc.

Superior Court of the State of California, County of Los Angeles Case No. 24STCV05324

Apex
P.O. Box _____

Telephone: _____

«FirstName» «LastName»
«Address1» «Address2»
«City» «State» «Zip»

You are receiving this notice as a result of lawsuit (the “Action”) brought on a representative basis under the California Private Attorneys General Act, Labor Code § 2698 *et seq.* (“PAGA”) by Plaintiff Norma Gamez (“Plaintiff”) acting in a private attorney general capacity against Defendant Yum Yum Donut Shops, Inc. (“Defendant”). Through the Action, Plaintiff sought to recover civil penalties for purported violations of the California Labor Code on behalf of all individuals who are or previously were employed by Defendant as non-exempt at any time during the PAGA Period, which is from December 20, 2022 to _____ (the “Aggrieved Employees”).

Defendant denies all claims and allegations in the Action, denies that it owes any penalties to Plaintiff and/or the Aggrieved Employees, and asserts that it has fully complied with all applicable Labor Code and all other provisions of law noted below. Nevertheless, to avoid further costs and time in defending the Action, Defendant has settled the Action, and the Court has approved the settlement and release of all “Released PAGA Claims”. “Released PAGA Claims” means all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, and the PAGA Notices submitted by Plaintiff to the LWDA, which occurred during the PAGA Period, including claims under California Labor Code §§ 201, 202, 203, 204, 204(b), 210, 226, 226(a), 226.3, 226.7, 351, 353, 510, 512, 558, 1174, 1174(d), 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, and the applicable Wage Order(s). The Released PAGA Claims expressly excludes all other claims, including but not limited to Plaintiff’s individual claims, claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, and PAGA claims outside of the PAGA Period. By Order dated _____, 2025, the Superior Court of California for the County of Los Angeles approved the settlement of the Action and the Released PAGA Claims.

According to Defendant’s records, you are an Aggrieved Employee and are therefore eligible to receive an Individual PAGA Payment under the Court-approved allocation which is based upon the pay periods you worked during the PAGA Period. You are not allowed to opt-out of this PAGA settlement. The enclosed settlement check, which you are receiving in your capacity as an Aggrieved Employee in connection with the settlement of the PAGA claim for civil penalties, shall remain valid for 180 days after mailing. If any Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator will transmit the funds represented by such checks to the State of California Unclaimed Property Fund in the name of the absent Aggrieved Employee, where the funds may be claimed at https://www.sco.ca.gov/upd_msg.html.

Please Note: One hundred percent (100%) of your payment will be considered civil penalties; may be subject to local, state, and/or federal tax withholdings; and will be reported to the IRS and applicable state tax authorities. You should rely on your own tax advisors as to the tax consequences of your Individual PAGA Payment. Neither Plaintiff nor Defendant have made or will make any representations or warranties regarding the taxation of your Individual PAGA Payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

Do not call or write the Court or Office of the Clerk to ask questions about the settlement or your Individual PAGA Payment. If you have any questions, you may call or write to Apex (the Administrator) using the contact information at the top of this correspondence.

EXHIBIT 2

APEX

CLASS ACTION ADMINISTRATION

Quotation Request:

Harout Messrelian
 Messrelian Law
 hm@messrelianlaw.com

Case Name:

Gamez v Yum Yum

Date:

Monday, April 7, 2025

RFP Number:

201880007

Prepared By:

Michael Sutherland
 Apex Class Action LLC
 mike@apexclassaction.com
 321.223.5067

Settlement Specifications

Number of Aggrieved Employees	1,322
Certified Language Translation:	Yes
Static Settlement Website	No
Percentage of Undeliverable Mail	20%

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
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Data Analytics and Standardization

Import and Standardize Data*	Per Hour	\$125.00	2	\$250.00
Data Analyst	Per Hour	\$150.00	2	\$300.00

*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of \$150/hr.

Sub Total: \$550.00

Project Management

Project Management	Per Hour	\$150.00	3	\$450.00
Project Coordinator	Per Hour	\$90.00	3	\$270.00
Data Analyst and Reporting	Per Hour	\$140.00	3	\$420.00

Sub Total: \$1,140.00

Toll-Free Contact Center, Website, Reporting & Pre-Distribution

Form Set Up	Per Hour	\$120.00	1	WAIVED
Bilingual Toll-Free Contact Center	Static Rate	\$100.00	1	\$100.00
NCOA Address Update (USPS)	Static Rate	\$264.40	1	\$264.40
Certified Language Translation: Spanish	Static Rate	\$523.64	1	\$523.64
Unclaimed funds to the State	Static Rate	\$250.00	1	\$250.00
Settlement Status Reports	Static Rate	\$750.00	1	Waived

Sub Total: \$1,138.04



APEX

CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
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Distribution & Settlement Fund Management

Settlement Calculations	Per Hour	\$120.00	3	\$360.00
Account Management and Reconciliation	Per Hour	\$140.00	3	\$420.00
Print & Mail Distribution Settlement Check (IRS Form 1099 if applicable)	Per Piece	\$1.25	1,322	\$1,652.50
USPS First Class Postage	Per Piece	\$0.68	1,322	\$898.96
Remail Distribution to Updated Address (Skip Trace)	Per Piece	\$2.50	132	\$330.50
Individual Income Tax Preparation & Reporting	Per Hour	\$100.00	8	\$800.00
QSF Income Tax Reporting (per calendar year)	Per Year	\$1,250.00	1	\$1,250.00

Sub Total:				\$5,711.96
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Post Distribution Reconciliation

Bank Account Reconciliation	Per Hour	\$135.00	2	\$270.00
Project Management Reconciliation	Per Hour	\$100.00	2	\$200.00
Declarations	Per Hour	\$120.00	2	\$240.00

Sub Total:				\$710.00
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WILL NOT EXCEED:				\$9,250.00
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Thank you for your business!

APEX

CLASS ACTION ADMINISTRATION

Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. **Services:** Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. **Payment Terms:** As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. **Incurred Expenses:** In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. **Invoicing:** Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In the event of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. **Case Duration:** The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. **Termination of Services:** Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (i) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. **Independent Contractor:** As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. Apex warrants that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. **Limitation of Liability:** The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. **Indemnification:** The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. **Confidentiality:** Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. **Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.**

13. Upon the completion of the administration and unless retention instructions are ordered by the court, Apex will notify the client that it will destroy and/or return all confidential information and property within 90 days upon the client's written request. Alternatively, the material may be stored for one year at a monthly fee of \$1.50 per storage box for paper documents and \$0.01 per image for electronic copies over a period of three years, which compensates Apex for its electronic and hard-copy storage costs. Apex will not be liable for any damages, liability, or expenses incurred in connection with any delay in delivery of, or damage to disks, magnetic tapes, or any input data provided by the client or its representatives unless Apex has agreed in writing to assume such responsibility.

14. **COMPLETE AGREEMENT.** These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. **Force Majeure:** In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. **Severability:** This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. **Nonwaiver:** This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

EXHIBIT 3