

MEMORANDUM OF UNDERSTANDING (“MOU”)

1. This MOU is entered into by and between the Parties to the action entitled *DonJuan Futrell v. Kreation Juicery, Inc.*, Los Angeles County Superior Court, Case No. 23STCV30930 & 24NNCV02839. It memorializes the settlement reached on October 24, 2024 by the Parties. It confirms the essential terms of the settlement and assists in preparation of a full, comprehensive Settlement Agreement. This MOU is enforceable by, binding on, admissible, and subject to disclosure by all Parties.
2. As part of the settlement, Plaintiff will dismiss his class action claims against Defendant without prejudice.
3. The Parties intend to enter into a more formal “long form” agreement whose terms are not inconsistent with the terms of this MOU, but if they fail to execute a more formal agreement, this agreement will be final, binding and enforceable pursuant to California Code of Civil Procedure section 664.6. In the event that the Parties do not complete that “long form” agreement, either party may move for approval of this PAGA settlement on the basis of the terms set forth in this MOU. In that event, the party moving for approval will propose customary terms and procedures for the notice process and settlement administration.
4. Defendant shall pay a maximum amount (“Maximum Settlement Amount”) of \$300,000.00, which sum includes all attorneys’ fees and costs, administration costs, enhancement award to the Plaintiff, and payment to the California Labor & Workforce Development Agency (“LWDA”). No money will revert to Defendant. The balance after deduction of attorneys’ fees and costs, administration costs, enhancement award, and payment to the LWDA will be the Net Settlement Amount (which will be paid to the Aggrieved Employees).
5. Defendant shall pay one half of the Maximum Settlement Amount within 14 days of the Court’s order of approval of the Settlement, and the second half 45 days thereafter.
6. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the operative complaint and the PAGA Notice.
7. The Aggrieved Employees are all persons who worked for Defendant in California as an hourly paid or non-exempt employee during the PAGA Period, as defined below.
8. The PAGA Period starts on January 16, 2023 and shall end on October 18, 2024.
9. Defendant will not oppose a request by Plaintiff to be appointed the PAGA Representative and for an enhancement payment of up to \$10,000.00, in exchange for his service as the PAGA Representative. This amount is paid from the Maximum

Settlement Amount and is in addition to the payment to which Plaintiff is entitled as an Aggrieved Employee. Even in the event that the Court reduces or does not approve the requested PAGA Representative's enhancement payment, Plaintiff shall not have the right to revoke this MOU or this settlement, and it will remain binding.

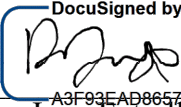
10. Defendant will not oppose an application for an award of attorneys' fees to counsel for Plaintiff, from the Maximum Settlement Amount, of up to 35% the Maximum Settlement Amount (\$105,000), plus actual costs and expenses up to \$30,000.00 as supported by declaration. Even in the event that the Court reduces or does not approve the requested award to Plaintiff's counsel for attorneys' fees and costs, Plaintiff's counsel shall not have the right to revoke this MOU or this settlement, and it will remain binding.
11. Defendant will not oppose an application of up to \$15,000.00 of the Maximum Settlement Amount to the Settlement Administrator for administration costs and fees. Fees of the Settlement Administrator shall be paid out of the Maximum Settlement Amount. The Parties agree to select a mutually agreeable Settlement Administrator. The Settlement Administrator shall be responsible for payment of all payments to the Aggrieved Employees, and shall be responsible for all appropriate withholdings, disbursement of taxes, and compliance with all reporting obligations.
12. For any Aggrieved Employee whose check is uncashed and cancelled after the void date (not less than 180 days after the date of mailing), the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.
13. Defendant has represented that there are approximately 9,500 pay periods from January 16, 2023 through June 28, 2024. Should the actual number of pay periods during the PAGA Period increase beyond 10%, Defendant shall have the option of (a) increasing the Maximum Settlement Amount by the percentage increase in the number of pay periods above 10% (e.g., if the number of pay periods increases by 11%, the Maximum Settlement Amount will increase by 1%), or (b) rolling back the PAGA Period to the date in which 10,451 pay periods is met
14. The provisions of this MOU, including, but not limited to, the sections pertaining to any waiver or release of claims, shall have no bearing on any claims made by Plaintiff in his individual FEHA action, Los Angeles County Superior Court, Case No. 24STCV03584, as those claims are expressly carved out of this MOU. As part of this settlement, Plaintiff will only be releasing his PAGA claims against Defendant.
15. Defendant expressly deny any liability. Neither this MOU nor the "long form" Settlement Agreement shall constitute an admission of liability or the accuracy of any allegation made by Plaintiff or their counsel.
16. Any settlement shall remain confidential until a motion for approval is filed with the court.

This agreement is executed by the Parties and their duly authorized attorneys as of the day and year set forth below:

IT IS SO AGREED.

On Behalf of Plaintiff DonJuan Futrell:

Dated: 11/22/24, 2024

DocuSigned by:

A3F93EAD8657449
DonJuan Futrell, Plaintiff

On Behalf of Defendant Kreation Juicery, Inc.:

Dated: March 5, 2025


Name: Mollie O'Rourke
Title: Director of Operations

Approved as to form:

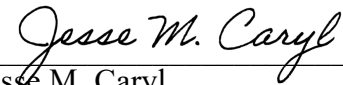
Dated: November 25, 2024

WILSHIRE LAW FIRM, PLC

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Dated: March 5, 2025

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