

EXHIBIT 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

DARLENE M. STROUD, on behalf of herself
and others similarly situated,

Plaintiff,

vs.

JM WEST, INC., d/b/a Jersey Mike's Subs, a
California Corporation; JM WEST II, INC., d/b/a
Jersey Mike's Subs, a California Corporation; JM
SANTA MARIA LP, d/b/a Jersey Mike's Subs, a
California limited partnership; JM ARROYO
GRANDE LP, d/b/a Jersey Mike's Subs, a
California limited partnership; and DOES 1
through 50, inclusive,

Defendants

Case No.: 24STCV06910

REPRESENTATIVE PAGA ACTION

**JOINT STIPULATION OF
REPRESENTATIVE PAGA ACTION
SETTLEMENT AND RELEASE OF
CLAIMS**

*[Assigned for All Purposes to the Hon.
Laura Siegle; Dept. 17]*

Complaint Filed: March 19, 2024
Trial Date: Not Yet Set

1 This Joint Stipulation of Representative PAGA Action Settlement and Release of Claims
2 (“Settlement” or “Agreement”) is made and entered into by and between Plaintiff DARLENE M.
3 STROUD (“Plaintiff”), individually and on behalf of all aggrieved employees, and Defendants JM
4 SANTA MARIA LP and JM ARROYO GRANDE LP (collectively the “Defendants”). Plaintiff
5 and Defendants are collectively referred to herein as “the Parties.”

6 **I. DEFINITIONS**

7 The following definitions are applicable to this Settlement, in addition to other terms defined
8 elsewhere in this Settlement:

9 1. “Action” shall mean *Darlene M. Stroud v. JM West, Inc. et al.*, Case No.
10 24STCV06910, filed on March 19, 2024, in the Superior Court for the State of California, County
11 of Los Angeles and the operative Complaints filed therein.

12 2. “Aggrieved Employee Payment” shall mean the payment, distributed on a *pro rata*
13 basis, to the Aggrieved Employees constituting twenty-five percent (25%) of the Net Settlement
14 Amount, currently estimated to be Six Thousand, Eight Hundred and Twelve Dollars and Fifty
15 Cents (\$6,812.50).

16 3. “Aggrieved Employee Payment Share” shall mean the value of each Aggrieved
17 Employee’s share of the Aggrieved Employee Payment as provided by this Agreement.

18 4. “Defense Counsel” shall mean the attorneys representing Defendants in the Action,
19 Andrea Rosenkranz, Esq. of O’Hagan Meyer.

20 5. “Effective Date” shall mean the date by which this Settlement is approved by the
21 Superior Court by entry of the Judgment and the Judgment becomes Final. If no appeal is filed, the
22 Effective Date shall occur 60 calendar days from entry of Judgment by the Court. If a timely appeal
23 is filed, the Judgment shall become final on the date all appeals from the Judgment have been fully
24 adjudicated. The occurrence of the Effective Date is a prerequisite to any obligation of Defendants
25 to pay any funds into the Settlement Account and to any release of claims by Plaintiff and
26 Aggrieved Employees under this Agreement.

27 6. “Individual Pay Periods” shall mean the number of Pay Periods for an individual
28 Aggrieved Employee.

7. “Judgment” shall mean the Order of Final Judgment entered by the Superior Court that the Parties anticipate will be entered following a Hearing on the Settlement in this Action.

8. “LWDA Payment” shall mean the payment to the California Labor and Workforce Development Agency (“LWDA”) constituting seventy-five percent (75%) of the Net Settlement Amount, currently estimated to be Twenty Thousand, Four Hundred and Thirty-Seven Dollars and Fifty Cents (\$20,437.50).

9. “Maximum Settlement Amount” shall mean the maximum settlement amount of Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) payable by Defendants as provided by this Agreement, unless that amount is increased pursuant to Paragraph 10 below.

10. Defendants represent that as of December 3, 2024, the number of Pay Periods worked by the Aggrieved Employees in the PAGA Period is approximately 1,132. Should the number of Pay Periods worked by the Aggrieved Employees as of January 25, 2025, increase by more than 10% (i.e., to more than 1,246 Pay Periods), then Defendants shall have the option of either (i) increasing the Maximum Settlement Amount by an amount determined by the following formula: $[(\text{Actual Number of Pay Periods} - 1,246) \div 1,246] \times \text{Maximum Settlement Amount}$; or (ii) changing the end date of the PAGA Period to a date for which there are no more than 1,246 Pay Periods. If this provision is triggered and Defendants elect to increase the Maximum Settlement Amount, the PAGA Counsel Fees Payment will proportionately increase such that the PAGA Counsel Fee Payment remains one-third of the Maximum Settlement Amount. Defendants shall provide the number of Pay Periods as of January 25, 2025 to the Settlement Administrator within fourteen (14) days of the granting of Plaintiff’s Motion for Approval and if the number of Pay Periods exceeds 1,246, Defendants shall notify Plaintiff of their election under this Paragraph at the same time the number of Pay Periods is provided to the Settlement Administrator. Should an updated number of Pay Periods be required for approval of the PAGA settlement, Defendant will provide PAGA Counsel with the number of Pay Periods within seven (7) days of being informed of this requirement or within any court-imposed deadlines.

11. “Net Settlement Amount” shall mean the Maximum Settlement Amount, less (i) the PAGA Counsel Fees Payment approved by the Superior Court; (ii) the PAGA Counsel Litigation

1 Expenses Payment approved by the Superior Court; (iii) the Settlement Administrator Payment
2 approved by the Superior Court; and (iv) any other fees or expenses (other than PAGA Counsel
3 Fees Payment and PAGA Counsel Litigation Expenses Payment) incurred in implementing the
4 terms and conditions of this Agreement as approved by the Superior Court.

5 12. "PAGA Counsel" shall mean the attorneys representing Plaintiff in the Action, Emil
6 Davtyan, David Yeremian, Alvin B. Lindsay, Jean Hopkins Power, Enoch Kim, and Melissa
7 Rodriguez of D.LAW, INC.

8 13. "PAGA Counsel Fees Payment" shall mean one-third of the Maximum Settlement
9 Amount (currently estimated to be Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00))
10 subject to approval by the Superior Court as PAGA Counsel's attorneys' fees incurred in
11 connection with the Action, including fees incurred in pre-filing investigation, filing of the Action,
12 and all related litigation activities, this Settlement, and all post-Settlement compliance procedures.

13 14. "PAGA Counsel Litigation Expenses Payment" shall mean the actual litigation
14 expenses and/or costs expended by PAGA Counsel subject to approval by the Superior Court
15 incurred in connection with the Action, including pre-filing investigation, filing of the Action, and
16 all related litigation activities, this Settlement, and all post-Settlement compliance procedures.
17 PAGA Counsel's expenses are not to exceed Twenty Thousand Dollars and Zero Cents
18 (\$20,000.00).

19 15. "PAGA Group" shall mean all current and former hourly-paid, non-exempt
20 employees of Defendants in California during the PAGA Period. "Aggrieved Employee" shall
21 mean an individual who is a member of the PAGA Group (or if any such person is incompetent,
22 deceased, or unavailable due to military service, the person's legal representative or successor in
23 interest evidenced by reasonable verification).

24 16. "PAGA Period" shall mean the period of time from March 19, 2023, through
25 January 25, 2025.

26 17. "PAGA Settlement Notice" shall mean the Notice of Settlement, a sample of which
27 is attached hereto as Exhibit "A". The PAGA Settlement Notice shall further contain (i) an
28 Aggrieved Employee's first and last name, (ii) last known address, (iii) the Aggrieved Employee's

Individual Pay Periods; and (iv) the Aggrieved Employee's Aggrieved Employee Payment Share.

18. "Pay Period" shall mean any pay period in which an Aggrieved Employee actually received payment from Defendants as an hourly-paid, non-exempt employee.

19. "Settlement Administrator" shall mean Phoenix Settlement Administrators proposed by the Parties and appointed by the Superior Court to administer the Settlement.

20. "Settlement Administrator Payment" shall mean the payment to the Settlement Administrator for its fees and expenses in administering this Settlement.

21. "Superior Court" shall mean the Superior Court of California for the County of Los Angeles.

II. RECITALS

22. On March 19, 2024, Plaintiff on behalf of the PAGA Group, gave written notice to the Labor Workforce and Development Agency ("LWDA") of the Labor Code violations Defendants are alleged to have violated ("LWDA Exhaustion Letter").

23. On March 19, 2024, Plaintiff filed a Class Action Complaint against Defendants in the Los Angeles Superior Court, Case No. 24STCV06910. In her Complaint, Plaintiff alleged the following causes of action: (1) Failure to Pay Minimum and Straight Time Wages (§§ 1194, 1197, 1197.1); (2) Failure to Pay Overtime Wages (§ 510); (3) Failure to Pay Vacation Wages (§ 227.3); (4) Failure to Provide Suitable Seating (§ 1198); (5) Failure to Provide Meal Periods (§ 226.7); (6) Failure to Authorize and Permit Rest Periods (§ 226.7); (7) Failure to Provide Accurate Itemized Wage Statements (§ 226(a)); (8) Unlawful Deductions (§ 221); (9) Failure to Pay Timely Wages During Employment (§ 204); (10) Failure to Pay Timely Wages at Termination (§ 203); (11) Failure to Provide Sick Pay at the Correct Rate (§§ 245-246); (12) Failure to Reimburse Necessary Business Expenses (§ 2802); and (13) Violation of Business & Professions Code §17200, *et seq.* (the "Class Claims").

24. On May 23, 2024, amended her Complaint to include a cause of action for Civil Penalties pursuant to the Private Attorneys' General Act of 2004 ("PAGA").

25. Defendants deny and continue to deny all of Plaintiff's material allegations. Specifically, Defendants contend (1) they did not fail to pay the Aggrieved Employees the

1 minimum, straight time, and/or overtime wages; (2) they paid the Aggrieved Employees for all
2 hours worked; (3) they provided the Aggrieved Employees with all meal periods according to law
3 and/or paid meal period premiums; (4) they provided the Aggrieved Employees with all rest breaks
4 according to law and/or paid rest break premiums; (5) they did not make any unlawful deductions
5 from the Aggrieved Employees' wages; (6) they reimbursed Aggrieved Employees for all necessary
6 business expenses; (7) they provided Aggrieved Employees with suitable seating and suitable
7 resting facilities; (8) they properly calculated and paid out sick time (9) properly allocated and paid
8 Aggrieved Employees paid-time-off; (10) they did not fail to timely pay the Aggrieved Employees
9 wages due and owing during employment and/or upon separation; (11) they provided the Aggrieved
10 Employees with accurate itemized wage statements, consistent with Labor Code Section 226; (12)
11 they properly maintained all payroll records; (13) the PAGA Group is not entitled to penalties under
12 PAGA; and (14) Defendants are not liable for damages, including attorneys' fees and costs of
13 litigation to the Aggrieved Employees.

14 26. In connection with the Action, and in order to work toward a mediated resolution
15 without the time and expense of formal discovery, the Defendants produced voluminous documents
16 and data (including, by Defendants, human resources documents and policies, time records, and
17 payroll data during the PAGA Period) which were reviewed, investigated, and analyzed by PAGA
18 Counsel.

19 27. On December 6, 2024, the Parties in the Action participated in a full day of
20 mediation before an experienced employment, class, and PAGA representative action mediator,
21 Todd Smith, Esq. (the "Mediation") and the Parties reached a settlement at the Maximum
22 Settlement Amount.

23 28. The Settlement described in this Agreement represents a compromise and settlement
24 of highly disputed claims. Nothing in this Settlement is intended or will be construed as an
25 admission by Defendants that Plaintiff's claims in the Action have any merit or that they have any
26 liability to Plaintiff, the PAGA Group or the State on those claims, or as an admission by Plaintiff
27 that Defendants' defenses in Action have any merit. This Settlement is intended to fully, finally,
28 and forever compromise, release, resolve, discharge, and settle the released claims subject to the

1 terms and conditions set forth in this Settlement.

2 29. Based on its own thorough, independent investigation and evaluation of this case,
3 PAGA Counsel is of the opinion that the Settlement of this Action with Defendants for the
4 consideration and on the terms set forth in this Settlement is fair, reasonable, adequate, and in the
5 best interest of the Aggrieved Employees in light of all known facts and circumstances, including
6 the risk of significant costs and delay, the risk of non-representative approval of the Aggrieved
7 Employees, the defenses asserted by Defendants including the risks of adverse determinations on
8 the merits and numerous potential appellate issues. Although Defendants contend that they have no
9 liability in the Action, Defense Counsel shares PAGA Counsel's belief that the Settlement
10 represents a fair and adequate settlement given the respective risks associated with the case.

11 30. Based on the foregoing Recitals, the Parties agree as follows:

12 **III. PROCEDURE FOR APPROVING SETTLEMENT**

13 31. **Dismissal of Class Claims.** Within fourteen (14) days of the execution of this
14 Agreement, and prior to filing a Motion for Approval (as defined below), Plaintiff, through counsel,
15 will file a request for dismissal of Plaintiff's class claims without prejudice. The Parties agree that
16 the dismissal of Plaintiff's class claims is a prerequisite to any obligation of Defendants to pay any
17 funds into the Settlement Account.

18 32. **Motion for Approval of Settlement by the Superior Court.** Plaintiff will move
19 the Superior Court for an order granting Approval of the Settlement and approving the PAGA
20 Settlement Notice (attached as Exhibit "A" to this Agreement) ("Motion for Approval"). Any
21 unresolved disagreement among the Parties concerning the PAGA Settlement Notice or other
22 documents necessary to implement the Settlement will be referred first to Todd Smith, Esq., and if
23 no resolution is reached, then to the Superior Court.

24 33. At the hearing on the Motion for Approval, the Parties anticipate that they will
25 jointly appear, support the granting of the Motion for Approval, and obtain an order granting
26 Approval, including approval of the PAGA Settlement Notice.

27 34. Should the Superior Court require any amendments to this Agreement or the Motion
28 for Approval, the Parties agree to work jointly to resolve any issues in order to secure the Superior

1 Court's Approval.

2 35. Should the Superior Court decline to approve any material aspects of the Settlement,
3 the Settlement will be null and void and the Parties will have no further obligations under it. In
4 such event, the Parties shall be returned to their respective positions as of the date and time
5 immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as
6 if this Agreement had not been executed.

7 36. Upon approval of the Settlement by the Superior Court, the Parties will present for
8 the Superior Court's approval and entry a Proposed Final Order and Judgment. The entry of the
9 Order and Judgment shall permanently bar the State, via any Aggrieved Employees, from
10 prosecuting against Defendants any claims for PAGA penalties through the PAGA Period, which
11 were or reasonably could have been alleged in this Action, as well as all claims as set forth in the
12 Release contained in Section V of this Agreement, whether known or unknown.

13 37. After entry of the Judgment, the Superior Court will have continuing jurisdiction
14 over the Action and the Settlement solely for purposes of (i) enforcing this Settlement, (ii)
15 addressing settlement administration matters, and (iii) addressing such post-Judgment matters as
16 may be appropriate under court rules or applicable law.

17 38. **PAGA Settlement Notice.** After the Superior Court enters its order granting
18 Approval, every Aggrieved Employee will be provided with the PAGA Settlement Notice (in
19 English and Spanish) which will include the PAGA Settlement Notice completed to reflect the order
20 granting Preliminary Approval of the Settlement and the Aggrieved Employee's information as
21 follows:

22 (a) Within fourteen (14) days after the Motion for Approval is granted,
23 Defendants will provide to the Settlement Administrator the "Aggrieved Employees' Data," which
24 shall consist of an electronic database containing (i) each Aggrieved Employee's first and last name,
25 (ii) last known mailing address, (iii) the Aggrieved Employee's Social Security number or Tax ID,
26 and (iv) Aggrieved Employees' total number of Individual Pay Periods. If any or all of the
27 Aggrieved Employees' Data are unavailable to Defendants, Defendants will so inform PAGA
28 Counsel prior to the date on which Defendants are required to submit the Aggrieved Employees'

1 Data to the Settlement Administrator and the Parties will make their best efforts to reconstruct or
2 otherwise agree upon the Aggrieved Employees' Data prior to when it must be submitted to the
3 Settlement Administrator. If the Parties are unable to agree, the dispute will be resolved by the
4 Settlement Administrator as provided in Paragraph 49. This information will otherwise remain
5 confidential and will not be disclosed to anyone, except as required to applicable taxing authorities,
6 as required to carry out the reasonable efforts to identify Aggrieved Employee information as
7 described in Paragraph 38(a), pursuant to Defendants' express written authorization, or by order of
8 the Superior Court.

9 (b) Within fourteen (14) days of its receipt of the Settlement Account Deposit
10 from Defendants, as described in Paragraph 39, or as soon thereafter as it is able to do so, the
11 Settlement Administrator will mail the PAGA Settlement Notice (and corresponding payment) to all
12 identified Aggrieved Employees via first-class U.S. Mail using the mailing address information
13 provided by Defendants, unless modified by any updated address information that the Settlement
14 Administrator obtains in the course of administration of the Settlement.

15 (c) If a PAGA Settlement Notice is returned by the U.S. Postal Service because
16 of an incorrect address, the Settlement Administrator will promptly, and not later than five (5) days
17 from receipt of the returned packet, search for a more current address for the Aggrieved Employee
18 and re-mail the PAGA Settlement Notice to the Aggrieved Employee. The Settlement
19 Administrator will use the Aggrieved Employees' Data and otherwise work with Defense Counsel
20 or utilize its own resources such as skip traces to find a more current address. The Settlement
21 Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job
22 parameters, court orders, and fee, to trace the mailing address of any Aggrieved Employee for
23 whom a PAGA Settlement Notice is returned by the U.S. Postal Service. These reasonable steps
24 shall include the tracking of all undelivered mail; performing address searches for all mail returned
25 without a forwarding address; and promptly re-mailing to Aggrieved Employees for whom new
26 addresses are found.

27 39. **Establishment of Settlement Account.** The Settlement Administrator shall
28 establish a Settlement Account within ten (10) days of the Effective Date and notify the Parties

1 when the Settlement Account has been established. The Settlement Administrator shall also
2 provide Defendants with an itemized statement for the total amount to be deposited into the
3 Settlement Account, which shall equal the Maximum Settlement Amount ("Settlement Account
4 Deposit"). Within ten (10) days after receiving notification of the Settlement Account and
5 statement for the Settlement Account Deposit, Defendants shall pay into the Settlement Account an
6 amount equal to the Settlement Account Deposit. Defendants shall have no obligation to pay any
7 additional funds into the Settlement Account.

8 **40. Payment of Aggrieved Employee Payment Shares.** The Settlement Administrator
9 shall pay to each Aggrieved Employee his/her/their Aggrieved Employee Payment Share from the
10 Settlement Account. The Settlement Administrator shall pay each Aggrieved Employee Payment
11 Share by sending a check in the appropriate amount to the Aggrieved Employee at the address
12 indicated in the Aggrieved Employee's Data. Such payment shall be sent along with the PAGA
13 Settlement Notice by the Settlement Administrator via U.S. Mail within fourteen (14) days of its
14 receipt of the Settlement Account Deposit from Defendants.

15 **41. Uncashed Aggrieved Employee Payment Share Checks.** Any checks paid to
16 Aggrieved Employees shall be negotiable for one hundred and eighty (180) calendar days from the
17 date of their issuance. An Aggrieved Employee must cash his/her/their Aggrieved Employee
18 Payment Share check within one hundred and eighty (180) calendar days after it is mailed to
19 him/her/them. If a check remains uncashed after one hundred and eighty (180) calendar days from
20 the initial mailing, or if a check is returned to the Settlement Administrator as undeliverable during
21 the one hundred eighty-day period, the Settlement Administrator shall take all reasonable efforts to
22 identify the Aggrieved Employee's correct address, including the performance of a "skip-trace." If
23 an updated address can be identified, the Settlement Administrator shall issue another check to the
24 Aggrieved Employee and mail it to the Aggrieved Employee at his/her/their updated address. If an
25 updated address for the Aggrieved Employee cannot be identified, if a reissued check is once again
26 returned to the Settlement Administrator as undeliverable, or if the reissued check remains uncashed
27 after one hundred eighty (180) calendar days, the Settlement Administrator will keep an accounting
28 of such funds and shall give notice to the Parties of the total balance of uncashed Aggrieved

1 Employee Payment Shares. An Aggrieved Employee who fails to negotiate or receive his/her/their
2 Aggrieved Employee Payment Share check despite the procedures described above shall
3 nevertheless remain bound by the Settlement and the releases contained herein.

4 42. The funds represented by Aggrieved Employee Payment Share checks remaining
5 uncashed for more than one hundred and eighty (180) calendar days after issuance shall be voided
6 and then shall be transmitted to the Controller of the State of California to be held pursuant to the
7 Unclaimed Property Law, California Civil Code Section 1500, *et seq.*, in the names of those
8 Aggrieved Employees who did not cash their checks until such time they claim their property. The
9 Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure
10 Code § 384, as the entire Net Settlement Amount will be paid out to Aggrieved Employees, whether
11 or not they all cash their settlement checks.

12 43. **Payment of PAGA Counsel’s Fees Payment and PAGA Counsel’s Litigation**
13 **Expenses Payment.** The Settlement Administrator shall pay to PAGA Counsel the PAGA
14 Counsel’s Fees Payment and PAGA Counsel’s Litigation Expenses Payment from the Settlement
15 Account. The Settlement Administrator shall pay the PAGA Counsel’s Fees Payment and PAGA
16 Counsel’s Litigation Expenses Payment by sending a wire or check in the appropriate amount to
17 PAGA Counsel at the address provided for in Paragraph 71. Such payment shall be sent by the
18 Settlement Administrator within ten (10) calendar days of its receipt of the Settlement Account
19 Deposit from Defendants.

20 44. **Final Report by Settlement Administrator to Superior Court.** Within ten (10)
21 days after final disbursement of all funds from the Settlement Account, the Settlement
22 Administrator will serve on the Parties and file with the Superior Court a declaration providing a
23 final summary report on the disbursements of all funds from the Settlement Account. Within ten
24 (10) days after transmission of any remaining unclaimed funds to the Controller of the State of
25 California, the Settlement Administrator will serve on the Parties and file with the Superior Court a
26 declaration providing a final summary report on the transmission of any remaining unclaimed funds
27 to Controller of the State of California as outlined Paragraph 42.

28

1 **IV. SETTLEMENT TERMS AND CONDITIONS**

2 45. **Aggrieved Employee Payment Shares.** Subject to the terms and conditions of this
3 Settlement, the Settlement Administrator will calculate the Aggrieved Employee Payment Shares
4 for each Aggrieved Employee within ten (10) days after Defendants provide the Settlement
5 Administrator with the Aggrieved Employees' Data. The Aggrieved Employee Payment Share for
6 each Aggrieved Employee will be calculated as follows, understanding that the formulas below do
7 not constitute an admission by either Party, and are intended only to provide a practical means to
8 simplify and administer the claims process:

9 (a) **Number of Aggrieved Employees and Pay Periods.** Defendants shall
10 determine the total number of Aggrieved Employees and the aggregate number of Pay Periods for
11 those Aggrieved Employees as of the time of Approval. This information shall be provided to the
12 Settlement Administrator along with the Aggrieved Employees' Data as described in Paragraph
13 38(a) above.

14 (b) **Calculation of the Pay Period Value.** The Settlement Administrator shall
15 determine the value of a Pay Period ("Pay Period Value") by taking the Aggrieved Employee
16 Payment amount and dividing it by the sum of all Aggrieved Employees' Pay Periods.

17 (c) **Calculation of Aggrieved Employee Payment Shares.** The Settlement
18 Administrator shall assign to each Aggrieved Employee an Aggrieved Employee Payment Share
19 which shall be equal to the Pay Period Value multiplied by each Aggrieved Employee's Individual
20 Pay Periods. Upon calculation of the Aggrieved Employees' Aggrieved Employee Payment Shares,
21 the Settlement Administrator shall furnish to PAGA Counsel and Defense Counsel a worksheet
22 containing a list of employee identification numbers for the Aggrieved Employees with their
23 corresponding Individual Pay Periods and Aggrieved Employee Payment Shares.

24 46. **Taxes and Withholdings.** Each Aggrieved Employee Payment Share is intended to
25 settle the Aggrieved Employees' claims for civil penalties. Accordingly, one hundred percent
26 (100%) of each Aggrieved Employee Payment Share shall represent civil penalties. The Aggrieved
27 Employee Payment Share shall be paid to the Aggrieved Employee in full without deductions or
28 withholdings, and the Settlement Administrator shall issue an IRS Form 1099 to each Aggrieved

Employee for that amount, to the extent the Aggrieved Employee's Aggrieved Employee Payment Share is Six Hundred Dollars and Zero Cents (\$600.00) or more. Each Aggrieved Employee shall be individually responsible for their own share of applicable income tax withholdings and deductions for his/her/their Aggrieved Employee Payment Share.

47. **Total Payment Amount.** In no event will Defendants be required to pay more than the Maximum Settlement Amount (unless that amount is increased pursuant to Paragraph 10 above) for distribution to PAGA Counsel, Aggrieved Employees, the LWDA, the Settlement Administrator, or for any other costs or expenses not otherwise enumerated.

48. **Payments to PAGA Counsel and Others.** Subject to the terms and conditions of this Settlement, the Settlement Administrator will make the following payments out of the Maximum Settlement Amount as follows:

(a) **To PAGA Counsel:** PAGA Counsel will apply to the Superior Court for the PAGA Counsel Fees Payment in an amount not to exceed one-third of the Maximum Settlement Amount (currently estimated to be Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00)). PAGA Counsel will also submit to the Superior Court a memorandum of costs for the PAGA Counsel Litigation Expenses Payment in an amount not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00) as reimbursement for reasonable costs of suit to be paid from the Maximum Settlement Amount. Defendants will not oppose these requests. The Settlement Administrator will pay the amounts approved by the Superior Court out of the Maximum Settlement Amount. Withholding and deductions will not be taken from the PAGA Counsel Fees Payment or PAGA Counsel Litigation Expenses Payment and one or more IRS Forms 1099 will be issued to PAGA Counsel with respect to those payments.

(b) **To the LWDA:** As part of their Motion for Approval, the Parties will jointly apply to the Superior Court for approval of the LWDA Payment in an amount currently estimated to be Twenty Thousand, Four Hundred and Thirty Seven Dollars and Fifty Cents (\$20,437.50), which shall constitute the LWDA's seventy-five percent (75%) share of the Net Settlement Amount.

(c) **To the Aggrieved Employees:** As part of their Motion for Approval, the Parties will jointly apply to the Superior Court for approval of the Aggrieved Employee Payment in

1 an amount currently estimated to be Six Thousand, Eight Hundred and Twelve Dollars and Fifty
2 Cents (\$6,812.50), which shall constitute the PAGA Group's twenty-five percent (25%) share of the
3 Net Settlement Amount.

4 (d) **To the Settlement Administrator:** The Settlement Administrator will be
5 paid from the Maximum Settlement Amount its reasonable fees and expenses as approved by the
6 Superior Court, which are estimated not to exceed Two Thousand Seven Hundred Fifty Dollars and
7 Zero Cents (\$2,750.00).

8 49. **Appointment of Settlement Administrator.** The Parties will ask the Superior
9 Court to appoint Phoenix Class Action Administrators, a qualified and experienced administrator
10 based in California where the Action is venued, to serve as the Settlement Administrator, which, as
11 a condition of appointment, will agree to be bound by this Agreement with respect to the
12 performance of its duties and its compensation. The Settlement Administrator's duties will include
13 (i) calculating Aggrieved Employee Payment Shares; (ii) preparing, printing, and mailing the
14 PAGA Settlement Notice to all Aggrieved Employees; (iii) using reasonable measures to contact all
15 Aggrieved Employees, including conducting a National Change of Address search on all Aggrieved
16 Employees before mailing the PAGA Settlement Notice to each Aggrieved Employee's address;
17 (iv) re-mailing the PAGA Settlement Notice to the Aggrieved Employee's new address for those
18 Aggrieved Employees whose address had changed; (v) setting up a toll-free telephone number to
19 receive calls from Aggrieved Employees; (vi) issuing the checks to effectuate the payments due
20 under the Settlement; (vii) using reasonable measures to deliver issued checks to Aggrieved
21 Employees, including use of a "skip-trace" for undeliverable checks; and (viii) otherwise
22 administering the Settlement pursuant to this Agreement. The Settlement Administrator will have
23 the final authority to resolve all disputes concerning the calculation of an Aggrieved Employee's
24 Aggrieved Employee Payment Share, subject to the terms set forth in this Agreement. The
25 Settlement Administrator's reasonable fees and expenses are estimated not to exceed Two
26 Thousand Seven Thousand Five Hundred Dollars and Zero Cents (\$2,750.00) and will be paid out
27 of the Maximum Settlement Amount, as set forth herein, subject to Court approval.
28

1 **V. RELEASE OF CLAIMS**

2 50. **PAGA Released Claims.** As of the Effective Date, the LWDA, through Plaintiff as
 3 its proxy, and all Aggrieved Employees shall release the Released Parties for claims for civil
 4 penalties pursuant to PAGA based upon all causes of action and claims that were alleged in the
 5 Action or reasonably could have been alleged based on the facts and legal theories contained in the
 6 Action and the LWDA Exhaustion Letter within the PAGA Period, including all of the following
 7 claims for relief: (i) failure to pay all regular wages, minimum wages and overtime wages due (Cal.
 8 Lab. Code §§ 510, 558, 1194, 1194.2, 1197, 1197.1, 1198, & 1199); (ii) failure to provide
 9 compliant meal periods (Cal. Lab. Code §§ 226.7 & 512); (iii) failure to provide compliant rest
 10 breaks (Cal. Lab. Code § 226.7); (iv) failure to timely pay wages during employment (Cal. Lab.
 11 Code §§ 204 & 210); (v) failure to provide complete, accurate wage statements (Cal. Lab. Code §
 12 226); (vi) failure to pay wages timely at time of termination or resignation (Cal. Lab. Code §§ 201-
 13 203); (vii) failure to maintain accurate records (Cal. Lab. Code §§ 1174(d) & 1174.5); (viii) failure
 14 to reimburse or indemnify business expenses (Cal. Lab. Code § 2802); (ix) improper deductions
 15 (Cal. Lab. Code §§ 221-223); (x) failure to provide suitable seating and resting facilities; (xi) failure
 16 to properly pay sick pay (Cal. Lab. Code §§ 245-248.5; (xii) failure to pay accrued vacation wages;
 17 (xiii) all claims under the California Labor Code Private Attorneys General Act of 2004 that were
 18 pleaded in the Action; (xiv) any claim for costs and attorneys' fees and expenses; (collectively, the
 19 "PAGA Released Claims").

20 51. Released Parties includes Defendants and their past, present and/or future, direct
 21 and/or indirect, officers, directors, members, managers, employees, agents, representatives,
 22 attorneys, including but not limited to O'Hagan Meyer, insurers, partners, investors, shareholders,
 23 administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors,
 24 assigns, and joint venturers.

25 52. The PAGA Released Claims described in Paragraph 50 expressly exclude all claims
 26 made by Aggrieved Employees for vested benefits, wrongful termination, unemployment insurance,
 27 disability, social security, workers' compensation, claims while classified as exempt, and claims
 28 outside of the PAGA Period.

1 **53. PAGA Counsel.** As of the Effective Date, and except as otherwise provided by this
2 Settlement, PAGA Counsel and any counsel associated with PAGA Counsel waive any further
3 claims to costs and attorneys' fees and expenses against Defendants or the Released Parties arising
4 from or related to the Action, including but not limited to claims based on the Labor Code, the Code
5 of Civil Procedure, PAGA, the Fair Labor and Standards Act, the Business and Professions Code, or
6 any other contract, statute or law ("PAGA Counsel Released Claims").

7 **54. No Effect on Other Benefits.** The payment of Aggrieved Employee Payment
8 Shares will not result in any additional employee benefit payments (such as 401(k), vacation, or
9 bonus) and shall not have any effect on the eligibility for, or calculation of, any employee benefit.

10 **VI. DUTIES OF THE PARTIES**

11 **55. Mutual Full Cooperation.** The Parties agree to cooperate fully with one another to
12 accomplish and implement the terms of this Agreement. Such cooperation shall include, but not be
13 limited to, execution of such other documents and the taking of such other action as may reasonably
14 be necessary to fulfill the terms of this Settlement unless the Court denies approval of the
15 Settlement with prejudice. The Parties shall use their best efforts, including all efforts contemplated
16 by this Agreement and any other efforts that may become necessary by court order or otherwise, to
17 effectuate this Agreement and the terms set forth herein. As soon as practicable after execution of
18 this Agreement, PAGA Counsel, with the cooperation of Defendants and Defense Counsel, shall
19 take all necessary and reasonable steps to secure the Court's approval of this Settlement. The Parties
20 will work together to make any non-material modifications of the Settlement requested by the Court
21 to obtain approval of the Parties' Settlement.

22 **56. Duty to Support and Defend the Settlement.** The Parties agree to abide by all of
23 the terms of the Settlement in good faith and to support the Settlement fully and to use their best
24 efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack.

25 **57. Duties Prior to Court Approval.** PAGA Counsel shall promptly submit this
26 Agreement to the Court for approval and determination by the Court as to its fairness, adequacy,
27 and reasonableness. Promptly upon execution of this Agreement, PAGA Counsel shall apply to the
28 Court for the entry of an order, scheduling a hearing on the question of whether the proposed PAGA

1 Settlement should be approved as fair, reasonable, and adequate as to the Aggrieved Employees,
2 approving as to form and content the proposed PAGA Settlement Notice attached hereto as Exhibit
3 “A”, respectively, and directing the mailing of the PAGA Settlement Notice to the Aggrieved
4 Employees.

5 58. **Non-Monetary Relief and Catalyzation of Policy Change.** Although Defendants
6 deny any liability of any kind associated with the claims alleged in the Lawsuit and deny any
7 liability or intentional wrongdoing, Defendants revised and updated their wage and hour policies
8 and practices after the initiation of the Action.

9 **VII. MISCELLANEOUS TERMS**

10 59. **No Admission of Liability.** Defendants deny that it has engaged in any unlawful
11 activity, has failed to comply with the law in any respect, or has any liability to anyone under the
12 claims asserted in the Action. This Settlement is entered into solely for the purpose of
13 compromising highly disputed claims. Nothing in this Settlement is intended or will be construed
14 as an admission of liability or wrongdoing by Defendants, an admission by Plaintiff that any of her
15 claims were non-meritorious, or any defense asserted by Defendants was meritorious. This
16 Settlement and the fact that Plaintiff and Defendants were willing to settle the Action will have no
17 bearing on, and will not be admissible in connection with, any litigation (other than solely in
18 connection with the Settlement).

19 60. Whether or not the Judgment becomes Final, neither the Settlement, any document,
20 statement, proceeding or conduct related to the Settlement, nor any reports or accounting of those
21 matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be
22 evidence for any purpose adverse to Defendants or any of the Released Parties, including, but not
23 limited to, evidence of a presumption, concession, indication or admission by any of the Released
24 Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed,
25 referred to or offered in evidence against any of the Released Parties, or any other civil, criminal or
26 administrative action or proceeding except for purposes of effectuating this Settlement.

27 61. Notwithstanding Paragraph 60 of this Settlement, any and all provisions of this
28 Settlement may be admitted in evidence and otherwise used in any and all proceedings to enforce

1 any or all terms of this Settlement, or in defense of any claims released or barred by this Settlement.

2 **62. Confidentiality.** The Parties and their counsel agree to keep the Settlement
3 confidential through the filing of the Motion for Approval of the Settlement. Thereafter, the Parties
4 agree to make no comments about the Settlement to the media or otherwise publicize the terms of
5 the Settlement. This Paragraph does not restrict (1) PAGA Counsel's communications with Plaintiff
6 and Aggrieved Employees in accordance with PAGA Counsel's ethical obligations owed to
7 Plaintiff and Aggrieved Employees; (2) PAGA Counsel's ability to identify the Settlement and/or
8 this action to demonstrate their adequacy as class or representative action counsel in other actions;
9 or (3) the Parties' ability to disclose the Settlement to the appropriate taxing authorities and in
10 response to court orders and subpoenas.

11 **63. Integrated Agreement.** After this Settlement is signed and delivered by all Parties
12 and their counsel, this Settlement and its exhibits will constitute the entire agreement between the
13 Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties,
14 covenants, or inducements have been made to any Party concerning this Settlement or its exhibits
15 other than the representations, warranties, covenants, and inducements expressly stated in this
16 Settlement and its exhibits.

17 **64. Attorney Authorization.** PAGA Counsel and Defense Counsel warrant and
18 represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate
19 action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its
20 terms, and to execute any other documents required to effectuate the terms of this Settlement. The
21 Parties and their counsel will cooperate with each other and use their best efforts to affect the
22 implementation of the Settlement. In the event the Parties are unable to reach agreement on the
23 form or content of any document needed to implement the Settlement, or on any supplemental
24 provisions that may become necessary to effectuate the terms of this Settlement, the Parties will
25 seek the assistance of mediator Todd Smith, Esq., and if no resolution is reached the Superior Court,
26 and in all cases all such documents, supplemental provisions and assistance of the court will be
27 consistent with this Settlement.

28 **65. Modification of Agreement.** This Agreement, and any and all parts of it, may be

1 amended, modified, changed, or waived only by an express written instrument signed by all Parties,
2 their successors-in-interest, and/or the Parties' respective counsel, as authorized.

3 **66. Settlement Binding on Successors.** This Settlement Agreement will be binding
4 upon, and inure to the benefit of, the successors of each of the Parties.

5 **67. Applicable Law.** All terms and conditions of this Settlement and its exhibits will be
6 governed by and interpreted according to the laws of the State of California, without giving effect to
7 any conflict of law principles or choice of law principles.

8 **68. Cooperation in Drafting.** The Parties have cooperated in the drafting and
9 preparation of this Settlement. This Settlement will not be construed against any Party on the basis
10 that the Party was the drafter or participated in the drafting.

11 **69. Fair Settlement.** The Parties and their respective counsel believe and warrant that
12 this Settlement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at
13 this Settlement through arms-length negotiations, taking into account all relevant factors, current
14 and potential.

15 **70. Headings.** The descriptive heading of any section or Paragraph of this Settlement is
16 inserted for convenience of reference only and does not constitute a part of this Settlement.

17 **71. Notice.** All notices, demands or other communications given under this Settlement
18 will be in writing and deemed to have been duly given as of the third business day after mailing by
19 U.S. Mail, addressed as follows:

20 *To PAGA Counsel:*

D.LAW, INC.
Emil Davtyan
David Yeremian
Alvin B. Lindsay
Jean Hopkins Power
Enoch Kim
Melissa Rodriguez
450 N. Brand Blvd. Suite 640
Glendale, CA 91203

26 *To Defendants' Counsel:*

Andrea Rosenkranz, Esq.
O'HAGAN MEYER
4695 MacArthur Court, Suite 900
Newport Beach, CA 92660

72. **Execution in Counterpart.** This Settlement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile signatures, scanned PDF signatures, and electronic signatures will be presumptive evidence of execution of the original, which shall be produced on reasonable request. Any executed counterpart will be admissible to prove the existence and contents of this Settlement.

DATED: 5/20/2025

DARLENE M. STROUD

Signed by:

 3501BA360FD6489...

DATED: _____

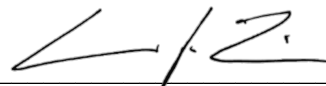
**JM SANTA MARIA LP
 JM ARROYO GRANDE LP**

APPROVED AS TO FORM:

DATED: 5/20/25

D.LAW, INC.

By:


 Emil Davtyan
 David Yeremian
 Alvin B. Lindsay
 Jean Hopkins Power
 Enoch Kim
 Melissa Rodriguez

Attorneys for Plaintiff,
DARLENE M. STROUD

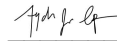
72. **Execution in Counterpart.** This Settlement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile signatures, scanned PDF signatures, and electronic signatures will be presumptive evidence of execution of the original, which shall be produced on reasonable request. Any executed counterpart will be admissible to prove the existence and contents of this Settlement.

DATED: _____

DARLENE M. STROUD

DATED: May 19, 2025

**JM SANTA MARIA LP
JM ARROYO GRANDE LP**



APPROVED AS TO FORM:

DATED: _____

D.LAW, INC.

By: _____

Emil Davtyan
David Yeremian
Alvin B. Lindsay
Jean Hopkins Power
Enoch Kim
Melissa Rodriguez

Attorneys for Plaintiff,
DARLENE M. STROUD

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DATED: May 19, 2025 _____

O’HAGAN MEYER

By: Andrea Rosenkranz
Andrea Rosenkranz (May 19, 2025 09:45 PDT)
Andrea Rosenkranz, Esq.

Attorneys for Defendants,
JM SANTA MARIA LP and JM ARROYO
GRANDE LP