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9 *ADDITIONAL COUNSEL LISTED ON NEXT PAGE*

10 **SUPERIOR COURT FOR THE STATE OF CALIFORNIA**

11 **COUNTY OF SAN MATEO**

12 NORMA SANTIZO and MIMI LEE, individually
13 and on behalf of all others similarly situated,

14 Plaintiffs,

15 vs.

16 NEAL'S COFFEE SHOP, INC., a California
17 corporation; SUNIL PRASAD, an individual,
and DOES 1 through 20, inclusive,

18 Defendants.

CASE NO. 24-CIV-03380

*Assigned for all purposes to the
Hon. Nicole S. Healy, Dept. 28*

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT**

Complaint Filed June 3, 2024

Trial Date: None Set

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1 1. This Joint Stipulation of Class Action and PAGA Settlement Agreement and Release
2 (“**Agreement**” or “**Stipulation**”) is made by and between Plaintiffs Norma Santizo and Mimi Lee
3 (“**Plaintiffs**”), on behalf of themselves and all members of the Settlement Class, as defined below,
4 and as proxy for the State of California, on the one hand, and Defendants Neal’s Coffee Shop, Inc.
5 and Sunil Prasad (“**NCS**” or “**Defendants**”), on the other hand (collectively, “the **Parties**”), in the
6 above-captioned matter. Subject to the Court’s approval, the above-referenced action is being
7 compromised and settled under the terms set forth below.

8 **DEFINITIONS**

9 2. In addition to the terms defined above, the terms below shall have the following
10 meanings:

11 A. “**Action**” means Plaintiffs’ lawsuit against Defendants captioned *Norma Santizo and*
12 *Mimi Lee, individually and on behalf of all others similarly situated, Plaintiffs, v. Neal’s Coffee Shop,*
13 *Inc., a California corporation, Sunil Prasad, an individual, and DOES 1 through 20, inclusive,*
14 *Defendants*, originally filed on June 3, 2024, in San Mateo County Superior Court, Case No. 24-CIV-
15 03380.

16 B. “**Class**” or “**Settlement Class**” means all current and former non-exempt employees
17 who have been employed by Defendants since June 3, 2020, through March 14, 2025, as set forth in
18 the list to be appended as **Exhibit B** hereto.

19 C. “**Class Counsel**” means John T. Mullan, Michelle G. Lee, and Jessica P. Spierer of
20 Rudy, Exelrod, Zieff & Lowe, LLP. The term “Class Counsel” shall be used synonymously with the
21 term “Plaintiffs’ Counsel.”

22 D. “**Class Counsel Award**” means the amount allocated to Class Counsel for
23 reimbursement of its reasonable attorney’s fees and expenses incurred to prosecute the Action, as
24 approved by the Court.

25 E. “**Class Data**” means information regarding Class Members that Defendants shall
26 compile from their records, as authorized by the Court, and transmit securely to the Settlement
27 Administrator, including each Class Member’s name, last known mailing address; Social Security
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number; last known telephone number; dates of employment, and other information necessary for the Settlement Administrator to identify and contact Class Members and provide their estimated and final Individual Class Payments and Individual PAGA Payments.

F. **“Class Member”** or **“Settlement Class Member”** means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as a PAGA-Eligible Employee.)

G. **“Class Members’ Released Claims”** means the claims being released by the Participating Class Members, as described in Paragraph 27 below.

H. **“Class Notice”** means the Court-Approved Notice of Pendency of Class Action Settlement and Final Hearing, to be mailed to Class Members in the form attached as **Exhibit A** and incorporated by reference into this Agreement. The Class Notice mailed to Class Members shall be in the form attached as Exhibit A without material variation, except that the Settlement Administrator shall also provide a Spanish-language version to Class Members, after approval by Class Counsel and Defense Counsel.

I. **“Class Period”** means the period from June 3, 2020, through March 14, 2025.

J. **“Class Records”** means information regarding Class Members that Defendants shall compile from their records, as authorized by the Court, and transmit securely to Plaintiffs’ Damages Consultant, including records reflecting each Class Member’s dates of employment, timekeeping records, work schedules, pay data, and other information necessary for the Plaintiffs’ Damages Consultant to calculate the number of Workweeks worked during the PAGA Period, Estimated Individual Damages, and Individual Class Payments.

K. **“Class Representatives”** means Norma Santizo and Mimi Lee, the named Plaintiffs in the operative complaint in the Action, who seek Court approval to serve as the Class Representatives.

L. **“Class Representative Service Awards”** means the amount to be paid to the Class Representatives for initiating the Action and providing services in support of the Action, as approved by the Court.

1 M. **“Compensable Workweeks”** means the number of calendar weeks that the Class
2 Member was employed by Defendants as a non-exempt employee during the Class Period. For the
3 PAGA claims, it means the number of calendar weeks that the Class Member was employed by
4 Defendants as a non-exempt employee during the PAGA Period.

5 N. **“Court”** means the San Mateo County Superior Court presiding over the settlement
6 approval process.

7 O. **“Defense Counsel”** means Michael A. Farbstein and H. Ann Liroff of Farbstein &
8 Blackman, PC.

9 P. **“Effective Date”** is the date on which the Settlement becomes “Final,” which means
10 the latest date on which the following events have occurred: (i) the Superior Court has granted Final
11 Approval and entered its Final Judgment approving the Settlement, without material modification, if
12 there are no objections, or (ii) if there are any objections, the day after the deadline for filing a notice
13 of appeal from the Final Judgment has passed without a timely appeal having been filed; or (iii) if a
14 timely appeal from the Final Judgment is filed, the day after the appellate court affirms the Judgment
15 and issues a remittitur.

16 Q. **“Estimated Individual Damages”** means the estimated damages calculated by
17 Plaintiffs’ Damages Consultant of each Participating Class Member’s estimated alleged unpaid
18 straight time wages, overtime wages, meal and rest break premiums, Labor Code 226 penalties,
19 waiting time penalties, and pre-judgment interest during the Class Period based on Defendants’
20 records.

21 R. **“Final Approval”** means the Court’s order granting final approval of the Settlement.

22 S. **“Final Approval Hearing”** means the Court’s hearing on the Motion for Final
23 Approval of the Settlement.

24 T. **“Final Judgment”** means the Judgment entered by the Court upon granting Final
25 Approval of the Settlement.

1 U. **“Individual Class Payment”** means the Participating Class Member’s pro rata share
2 of the Net Settlement Amount based on that Class Member’s Estimated Individual Damages relative
3 to the total for all Participating Class Members, calculated as explained below in Paragraph 14.

4 V. **“Individual PAGA Payment”** means the pro rata share of 25% of the PAGA
5 Payment, calculated according to the number of Compensable Workweeks worked during the PAGA
6 Period by the Class Members, whether or not they requested to be excluded from the Settlement, as
7 explained below in Paragraph 28.

8 W. **“LWDA”** means the California Labor and Workforce Development Agency.

9 X. **“LWDA Notice”** means the PAGA letter dated June 3, 2024, that Class Counsel sent
10 to the LWDA and Defendants on behalf of Plaintiffs and which provides notice pursuant to Labor
11 Code section 2699.3(a).

12 Y. **“LWDA PAGA Payment”** means the 75% share of the PAGA Payment paid to the
13 Labor and Workforce Development Agency under Labor Code section 2699(i).

14 Z. **“Maximum Settlement Amount”** means \$1,175,000.00, which is the total amount
15 Defendants shall have to pay under the Settlement, except as provided in Paragraph 26 below
16 regarding employer payroll taxes on the wage payments being made under the Settlement. The
17 Maximum Settlement Amount will be used to pay Individual Class Payments, Individual PAGA
18 Payments, the LWDA PAGA Payment, the Class Counsel Award for fees and costs, the Class
19 Representative Service Payments, and the Settlement Administration Costs. This excludes the
20 employer’s contribution of payroll taxes due on the settlement payments apportioned as wages, which
21 Defendants will pay outside of the Maximum Settlement Amount.

22 AA. **“Net Settlement Amount”** means the Maximum Settlement Amount, less the Class
23 Counsel Award, the Class Representative Service Awards, the PAGA Payments, and the Settlement
24 Administration Costs.

25 BB. **“Non-Participating Class Member”** means any Class Member who opts out of the
26 Settlement by sending the Settlement Administrator a valid and timely Request for Exclusion
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1 CC. **“Objection”** means a Class Member’s valid and timely submission of a written
2 objection to the Settlement to the Settlement Administrator within the Response Deadline, provided
3 that the Class Member did not submit a Request for Exclusion.

4 DD. **“PAGA”** means the California Private Attorneys General Act (Labor Code §§ 2698. *et*
5 *seq.*)

6 EE. **“PAGA-Eligible Employees”** means those Class Members who have been employed
7 by Defendants NCS since June 3, 2023.

8 FF. **“PAGA Payment”** means \$21,170.00, which is the total amount of PAGA civil
9 penalties to be paid from the Maximum Settlement Amount, subject to the Court’s approval, in
10 settlement of the PAGA claims in this Action. Of this amount, 75% (\$15,877.50) will be paid to the
11 LWDA and 25% (\$5,292.50) will be distributed as the Individual PAGA Payments to the PAGA-
12 Eligible Employees, whether or not they opted out of the Class Settlement.

13 GG. **“PAGA Period”** means the period from June 3, 2023, through March 14, 2025.

14 HH. **“PAGA Released Claims”** means the PAGA claims being released as described in
15 Paragraph 28 below.

16 II. **“Participating Class Member”** means a Class Member who does not submit a valid
17 and timely Request for Exclusion from the Settlement.

18 JJ. **“Plaintiffs’ Damages Consultant”** means Forensic and Financial Consultants
19 Hemming Morse, LLC or, if Hemming Morse is unable to serve, a similar expert consultant.

20 KK. **“Preliminary Approval Order”** means the Court’s Order Granting Preliminary
21 Approval of the Settlement.

22 LL. **“Released Parties”** means Defendants Neal’s Coffee Shop, Inc. and Sunil Prasad, and
23 all of their former and present parents, corporate members, subsidiaries, divisions, and affiliated
24 companies, and their respective officers, directors, employees, partners, shareholders, agents,
25 insurers, successors, assigns, and legal representatives.

1 MM. **“Released Claims Period”** for Participating Class Members means the period from
2 June 3, 2020, through March 14, 2025. For the PAGA claims, it means the period from June 3, 2023,
3 through March 14, 2025.

4 NN. **“Request for Exclusion”** means a Class Member’s valid and timely submission of a
5 written request to the Settlement Administrator to be excluded from the Class Settlement, signed by
6 the Class Member.

7 OO. **“Response Deadline”** means 45 days after the Settlement Administrator mails the
8 Class Notice to the Class Members, and shall be the last date on which Class Members may mail or
9 fax (1) Requests for Exclusion from the Settlement, (2) an Objection to the Settlement, or (3) a
10 dispute over the Individual Class Payment attributed to them in the Class Notice.

11 PP. **“Settlement”** means the final and complete disposition of the Action effected by this
12 Agreement and the Judgment.

13 QQ. **“Settlement Administrator”** or **“Administrator”** means Simpluris, the neutral entity
14 the Parties have agreed to appoint to administer the Settlement, as approved by the Court.

15 RR. **“Settlement Administration Costs”** means the Court-approved fees and reasonable
16 costs incurred by the Settlement Administrator to administer the Settlement, to be reimbursed to the
17 Settlement Administrator from the Maximum Settlement Amount.

18 **RECITALS**

19 **1. Procedural History.** On June 3, 2024, Plaintiffs filed their Complaint in this Action
20 in San Mateo County Superior Court on behalf of themselves and all others similarly situated
21 asserting the following claims: (1) Failure to Pay Minimum Wages in violation of California Labor
22 Code §§ 218.6, 1194, 1194.2, and 1197, IWC Wage Order No. 5, and San Mateo and Burlingame
23 Minimum Wage Ordinances; (2) Failure to Pay Overtime Wages in violation of California Labor
24 Code §§ 510, 1194, IWC Wage Order No. 5; (3) Failure to Provide Meal Periods in violation of
25 Labor Code §§ 226.7 and 512 and IWC Wage Order No. 5; (4) Failure to Provide or Permit Rest
26 Breaks in violation of Labor Code § 226.7 and IWC Wage Order No. 5; (5) Failure to Provide
27 Accurate and Itemized Wage Statements in violation of Labor Code § 226; (6) Failure to Reimburse
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1 All Business Expenses in violation of Labor Code §§ 2800, 2802; (7) Violation of Waiting Time
2 Penalties, Labor Code §§ 201, 202, 203; (8) Violation of Business and Professions Code § 17200, *et*
3 *seq.*; and (9) Enforcement of Labor Code § 2698 *et seq.* (PAGA).

4 **2. Document Exchange.** Prior to mediation, Plaintiffs obtained, through informal
5 discovery, Defendants' written policies via their employee handbook, as well as timekeeping data,
6 schedules, and payroll information for the putative class members during a time period constituting
7 the majority of the Class Period and PAGA Period.

8 **3. Mediation.** On January 17, 2025, the Parties participated in a full-day, arms-length
9 mediation before Michael Owensby of Signature Resolution. With the assistance of the Mediator, the
10 Parties were able to come to a settlement of the claims in the Action, subject to the Court's approval.
11 The settlement was memorialized in a Memorandum of Understanding, subject to later completion of
12 this long-form Settlement Agreement.

13 **4. Benefits of Settlement to Plaintiffs and the Class Members.** Plaintiffs and Class
14 Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiffs'
15 disputes in the Lawsuit through trial and through any possible appeals. While Plaintiffs and Class
16 Counsel believe in the merits of their claims, they have also taken into account the uncertainty and
17 risks of the outcome of further litigation and the difficulties and delays inherent in such litigation.
18 Plaintiffs and Class Counsel are also aware of the burdens of proof necessary to establish liability for
19 the claims asserted in the Lawsuit, both generally and in response to Defendants' defenses thereto,
20 and the difficulties in establishing damages, penalties, restitution and other relief sought in the
21 Action. Plaintiffs and Class Counsel also have taken into account Defendants' financial situation and
22 Defendants' agreement to enter into a settlement that confers substantial benefits upon the Class
23 Members. Based on the foregoing, Plaintiffs and Class Counsel have determined that the Settlement
24 set forth in this Agreement is fair, adequate, and reasonable and is in the best interests of all Class
25 Members.

26 **5. Defendants' Reasons for Settlement.** Defendants have concluded that further
27 defense of the Action would be protracted and expensive. Substantial amounts of Defendants' time,
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1 energy, and resources have been, and unless this Settlement is completed, shall continue to be,
2 devoted to the defense of the claims asserted by Plaintiffs. Defendants have also taken into account
3 the risks of further litigation in reaching their decision to enter into this Settlement. Even though
4 Defendants contend they are not liable for all of the claims alleged by Plaintiffs in the Action,
5 Defendants, nonetheless, have agreed to settle in the manner and upon the terms set forth in this
6 Stipulation and to fully and finally put to rest the claims alleged in the Action. Nothing contained in
7 this Agreement, no documents referred to herein, and no action taken to carry out this Agreement
8 shall be construed or used as an admission by or against Defendants as to the merits or lack thereof of
9 the claims asserted in the Lawsuit. In the event this Settlement does not obtain final approval,
10 Defendants retain all rights they have to defend themselves in this matter and to take any actions in
11 defense of themselves that are available to them.

12 CLASS CERTIFICATION

13 **6. Stipulated Settlement Class.** Solely for purposes of settling the Action, the Parties
14 have agreed to the certification of a Settlement Class consisting of all current and former non-exempt
15 employees who have been employed by Defendants from June 3, 2020, through March 14, 2025.

16 **7. Certification Is for Settlement Only.** For purposes of this Settlement, the Parties
17 stipulate and agree that the requisites for establishing class certification with respect to the Class have
18 been met and are met. More specifically, for purposes of settlement only, the Parties stipulate and
19 agree that the Settlement Class is ascertainable and so numerous as to make it impracticable to join
20 all Class Members; and that there are common questions of law and fact including, but not limited to,
21 whether Class Members were denied pay for all hours worked; whether Defendants failed to pay
22 overtime premium wages for all overtime hours worked; whether Defendants failed to provide
23 compliant meal and rest periods under Labor Code sections 226.7 and 512; whether Defendants failed
24 to furnish accurate, itemized wage statements to all Class Members in accordance with Labor Code
25 section 226; and whether Defendants are liable to the Class Members for derivative waiting time
26 penalties pursuant to Labor Code section 203, among other common issues.

1 **8. Certification Stipulation Nullified if Settlement Not Approved.** Should this
2 Settlement not become final, for whatever reason, the fact that the Parties were willing to stipulate
3 provisionally to class certification as part of the Settlement shall have no bearing on, and shall not be
4 admissible in connection with, the issue of whether a class should be certified in a non-settlement
5 context in the Action. Defendants expressly reserve their right to oppose class certification should
6 this Settlement not become final.

7 **MONETARY TERMS OF THE SETTLEMENT**

8 **9. Maximum Settlement Amount.** The claims of all members of the Settlement Class
9 and the PAGA-Eligible Employees, collectively, are settled for a maximum sum of One Million One
10 Hundred and Seventy-Five Thousand Dollars and Zero Cents (\$1,175,000.00) (“the Maximum
11 Settlement Amount”). This Maximum Settlement Amount is inclusive of the Class Counsel Award,
12 which includes Class Counsel’s reasonable attorneys’ fees and costs; the Class Representative
13 Service Awards to Plaintiffs; the Settlement Administration Costs; and the PAGA Payment to the
14 LWDA and the PAGA-Eligible Employees, all as approved by the Court. This excludes the
15 employer’s contribution of payroll taxes due on the settlement payments apportioned as wages, which
16 Defendants will pay outside of (in addition to) the Maximum Settlement Amount.

17 **10. Class Counsel Award.** Class Counsel shall be entitled to request attorneys’ fees in an
18 amount not to exceed one-third of the Maximum Settlement Amount, which amounts to \$391,666.66.
19 In addition, Class Counsel shall be entitled to request an award of costs associated with Class
20 Counsel’s prosecution of the Action not to exceed \$30,000.00. Class Counsel’s request for such
21 attorneys’ fees and costs shall be subject to approval by the Court. Defendants agree not to oppose or
22 object to Class Counsel’s requests for attorneys’ fees or costs up to these amounts. In the event the
23 Court awards Class Counsel less than these (or any other) requested amounts, the difference shall
24 become part of the Net Settlement Amount and shall be distributed to Participating Class Members as
25 part of their Individual Class Payments. Class Counsel shall be solely and legally responsible to pay
26 all applicable taxes due on the Class Counsel Award.

1 **11. Class Representative Service Awards.** For purposes of this Settlement only, the
2 Parties agree to the designation of Plaintiffs Norma Santizo and Mimi Lee as the Class
3 Representatives. In recognition of their time and effort in bringing and presenting the Action and for
4 releasing the Plaintiffs' Released Claims, and due to the risk of retaliation as a current employee,
5 Plaintiff Santizo shall request a Class Representative Service Award not to exceed Ten Thousand
6 Dollars (\$10,000.00). Plaintiff Lee shall request a Class Representative Service Award not to exceed
7 Seven Thousand Five Hundred Dollars (\$7,500.00). Plaintiffs' request for such awards shall be
8 subject to approval by the Court. Defendants agree not to oppose or object to Plaintiffs' request for
9 Class Representative Service Awards that do not exceed this amount. The Class Representative
10 Service Award will be in addition to Plaintiffs' Individual Settlement Payment paid pursuant to the
11 Settlement. The Settlement Administrator shall issue an IRS Form 1099 to each Plaintiff for her
12 Class Representative Service Award. Each Plaintiff shall be solely and legally responsible to pay any
13 and all applicable taxes due from her on her Class Representative Service Award. Any amount
14 requested by Plaintiffs for the Class Representative Service Award and not awarded by the Court
15 shall become part of the Net Settlement Amount and shall be distributed to Participating Class
16 Members as part of their Individual Class Payments.

17 **12. Settlement Administration Costs.** Subject to the Court's approval, Defendants shall
18 reimburse the Settlement Administration Costs, which are estimated not to exceed Twelve Thousand
19 Dollars (\$12,000), to be paid from the Maximum Settlement Amount. Prior to the filing of Plaintiffs'
20 Motion for Final Approval of the Settlement, the Settlement Administrator shall provide the Parties
21 with a statement detailing the Settlement Administration Costs to date.

22 **13. PAGA Payments.** Defendants shall pay a total of \$21,170.00 to resolve the claims
23 asserted by Plaintiffs in the Action, as proxy for the State of California, and the State of California
24 (including the LWDA), for civil penalties under PAGA. Seventy-five percent (75%) of this amount
25 (\$15,877.50) will be paid to the LWDA. The remaining twenty-five percent (25%) (\$5,292.50) will
26 be distributed to the PAGA-Eligible Employees, based on their proportionate share of Compensable
27 Workweeks worked during the PAGA Period.
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1 **14. Individual Class Payments.** Plaintiffs' Damages Consultant will determine the Net
2 Settlement Amount by deducting the Class Counsel Award of fees and costs, the Class
3 Representative Service Awards, the PAGA Payments, and the Settlement Administration Costs from
4 the Maximum Settlement Amount. Plaintiffs' Damages Consultant will calculate each Participating
5 Class Member's Individual Class Payment as follows: (1) for each Participating Class Member,
6 Plaintiffs' Damages Consultant, using the class data based on Defendants' timekeeping, scheduling,
7 and payroll records, will calculate the ratio of the estimated alleged unpaid straight time wages,
8 overtime wages, meal and rest break premiums, Labor Code 226 penalties, waiting time penalties,
9 and pre-judgment interest relative to the total for all Participating Class Members, and (2) multiply
10 this ratio by the Net Settlement Amount. For example, assume there were \$1,500,000.00 total
11 estimated damages and penalties for all Participating Class Members. If one Participating Class
12 Member's estimated damages was \$15,000, he or she would have a payment ratio of 0.01. If the Net
13 Settlement Amount were \$700,000, his or her proportionate settlement share of that amount would be
14 \$7,000.00. The Settlement Administrator will distribute the Individual Class Payments to the
15 Participating Class Members from the Net Settlement Amount based on calculations provided by
16 Plaintiffs' Damages Consultant and as reviewed by Defense Counsel.

17 **15. Individual PAGA Payments.** Plaintiffs' Damages Consultant will calculate each
18 eligible employee's Individual PAGA Payment by dividing the 25% portion of the PAGA Payment to
19 be distributed to those individuals, i.e. Five Thousand Two Hundred Ninety Two Dollars and Fifty
20 Cents (\$5,292.50), by the total number of Compensable Workweeks worked by all of the PAGA-
21 Eligible Employees during the PAGA Period to derive the per-workweek value of the Individual
22 PAGA Payments, and then multiplying that sum by the number of Compensable Workweeks worked
23 by each eligible employee during the PAGA Period.

24 **16. Tax Treatment of Individual Class and PAGA Payments.** Individual Settlement
25 Awards shall be allocated as follows: 20% as alleged unpaid wages subject to all applicable tax
26 withholdings and 80% as alleged unpaid interest and penalties. The Settlement Administrator shall
27 issue an IRS Form W-2 to each Participating Class Member for the portion of each Individual
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1 Settlement Award allocated as alleged unpaid wages. These payments shall be subject to all
2 applicable tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each
3 Participating Class Member for the remaining portion of each Individual Settlement Award. The
4 Settlement Administrator shall also issue an IRS Form 1099 for the Individual PAGA Payments. The
5 non-wage portions of the Individual Settlement Awards and the entirety of the Individual PAGA
6 Payments will be allocated as non-wage penalties and interest and shall not be subject to payroll tax
7 withholdings.

8 **SETTLEMENT FUNDING AND PAYMENTS**

9 **17. Class Data and Class Records.** Within fifteen (15) calendar days after the Court
10 grants preliminary approval of the Settlement, Defendants will securely provide the Settlement
11 Administrator and Plaintiffs' Damages Consultant with the Class Records. Additionally, within
12 twenty (20) calendar days after the Court grants preliminary approval of the Settlement, Defendants
13 will securely provide the Settlement Administrator with the Class Data, including the names, last
14 known addresses and telephone numbers, and social security numbers of the Class Members. The
15 Settlement Administrator will retain the Class Data and will not share it with Class Counsel, except
16 as otherwise permitted herein. Plaintiffs' Damages Consultant will provide the calculations for
17 Individual Class Payments and Individual PAGA Payments to Class Counsel and Defense Counsel
18 within fifteen (15) calendar days after receiving the Class Records from Defendants. After receiving
19 approval from Class Counsel and Defense Counsel, which approval shall be given within five (5)
20 calendar days of receipt of the calculations, Plaintiffs' Damages Consultant will provide the
21 calculations for Individual Class Payments and Individual PAGA Payments to the Settlement
22 Administrator.

23 **18. Funding of the Maximum Settlement Amount.** Defendants shall fund the
24 Maximum Settlement Amount in three phases, as set forth herein, and shall also fund the amounts
25 necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Settlement
26 Administrator pursuant to the following deadlines:

- 1 a. Phase One: no later than 30 days after the Effective Date, Defendants shall transmit to
2 the Settlement Administrator the lump sum of Five Hundred Eighty Seven Thousand
3 Five Hundred Dollars (\$587,500), plus Defendants' share of payroll taxes;
- 4 b. Phase Two: no later than 180 days after the Effective Date, Defendants shall transmit
5 to the Settlement Administrator the lump sum of Two Hundred Ninety Three
6 Thousand Seven Hundred Fifty Dollars (\$293,750), plus Defendants' share of payroll
7 taxes, which the Settlement Administrator will hold in escrow and distribute as set
8 forth in Paragraph 21;
- 9 c. Phase Three: no later than 350 days after the Effective Date, Defendants shall transmit
10 to the Settlement Administrator the lump sum of Two Hundred Ninety Three
11 Thousand Seven Hundred Fifty Dollars (\$293,750), plus Defendants' share of payroll
12 taxes.

13 Defendants shall provide the Maximum Settlement Amount to the Settlement Administrator
14 in any feasible manner, including, but not limited to, a wire transfer or a check.

15 **19. Acceleration Clause.** In the event that Defendants fail to make any required
16 payments within five (5) business days of the respective due date, Class Counsel shall send a notice
17 of Default to Defense Counsel. Defendants will then have ten (10) business days after issuance of the
18 notice of Default to cure and bring all payments up to the current required amount. If Defendants fail
19 to timely cure the late payment, all remaining balances shall become due and payable immediately.

20 **20. Information from Settlement Administrator Regarding Funding.** Not later than
21 ten (10) calendar days after the Effective Date, the Settlement Administrator will provide Defense
22 Counsel with an accounting of all anticipated payments from the Qualified Settlement Fund ("QSF")
23 as specified in this Agreement and approved by the Court, including all necessary routing and
24 payment instructions to the QSF, and including the amount due for the employer's share of payroll
25 taxes on the wage payments to be made outside the Maximum Settlement Amount. The Settlement
26 Administrator also will provide counsel for the Parties, for their approval, a draft set of the
27 calculations it has prepared to make distribution payments to PAGA-Eligible Employees and
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Participating Class Members at least fourteen (14) calendar days before the date of the scheduled distribution date for the Parties to review and approve the Settlement Administrator's proposed payment calculations.

21. Payment from the Maximum Settlement Amount. Within fifteen (15) calendar days after Defendants fund the Maximum Settlement Amount, and after the Settlement Administrator has provided the Parties with an opportunity to review and approve the Settlement Administrator's proposed payment calculations, the Settlement Administrator will commence distribution in two Phases, as follows:

a. Phase One Distribution: Out of the initial \$587,500 lump sum payment, the Administrator shall distribute these funds as follows:

First, disburse the PAGA penalty payments of 75% to the LWDA (\$15,877.50) and 25% to the PAGA-Eligible Employees (\$5,292.50);

Second, disburse the remaining \$560,330.00 *pro rata* to the percentage of the total due to each group entitled to a share of the Maximum Settlement Amount in Phase One Distribution, which the Settlement Administrator shall calculate:

(1) Individual Class Payments: (pro rata share= 0.606939)	\$343,728.03
(2) Settlement Administrator: (pro rata share= 0.010454)	\$5920.70
(3) Incentive Award to Plaintiff Santizo (pro rata share= 0.008712)	\$4933.92
(4) Incentive Award to Plaintiff Lee (pro rata share= 0.006534)	\$3700.44
(5) Class Counsel Fees and Cost Reimbursement (pro rata share= 0.36736)	\$208,046.90

b. Phase Two Distribution: The remaining \$587,500 shall be paid using the pro rata percentage shares as set forth above, as follows (to be adjusted as necessary based on actual costs, expenses, and fees awarded by the Court):

(1)	Individual Class Payments:	\$356,576.94
(2)	Settlement Administrator:	\$6,142.02
(3)	Incentive Award to Plaintiff Santizo	\$5,118.35
(4)	Incentive Award to Plaintiff Lee	\$3,838.76
(5)	Class Counsel Fees and Cost Reimbursement	\$215,823.91

22. Method of Individual Payments. The Settlement Administrator shall mail the Individual Settlement Awards and Individual PAGA Payments by regular First-Class U.S. Mail to each person's last known mailing address. Prior to mailing the payments, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes.

23. Non-Reversionary Settlement; No Claim Necessary. Participating Class Members shall not be required to submit a claim in order to receive a share of the Net Settlement Amount, and no portion of the Maximum Settlement Amount shall revert to Defendants. To the extent the Court does not approve the full requested attorneys' fees, litigation costs, Class Representative Service Award or Settlement Administration Costs, the Net Settlement Amount will increase accordingly, by the difference between the requested amounts and the amounts awarded by the Court. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled or fails to become effective for any reason, or if the Effective Date does not occur, then no portion of the Maximum Settlement Amount shall be paid.

24. Disposition of Uncashed Checks. All Individual Settlement Payment checks and/or Individual PAGA Payment checks issued by the Settlement Administrator must be cashed within 180 days after issuance. After the expiration of the 180-day period, the Settlement Administrator will void any uncashed checks, and the total amount of any uncashed settlement checks will be paid as a cy pres to Legal Aid at Work, a non-profit organization that furthers the general purposes of the

underlying causes of action, pursuant to California Code of Civil Procedure section 384, subject to the approval of the Court. The Parties and their Counsel certify that they have no financial interest in or beneficial connection to this cy pres recipient.

25. Settlement Binding Even If Checks Not Cashed. In the event a Participating Class Member or Participating PAGA Member fails to cash/deposit his or her Individual Class Payment check and/or Individual PAGA Payment check, for whatever reason, that person shall nevertheless remain bound by the Settlement and/or the PAGA Release.

26. Employer Payroll Taxes. Defendants' funding of the Maximum Settlement Amount shall resolve, satisfy and completely extinguish all of Defendants' liability with respect to the Class Members, except that Defendants shall be responsible for paying the employer's share of payroll taxes on the portion of the Individual Settlement Awards that constitute wages. Defendants will pay these taxes, as calculated by the Settlement Administrator, in addition to the Maximum Settlement Amount. Upon Defendants' funding of the Maximum Settlement Amount and the employer portion of payroll taxes on the portion of the Individual Settlement Awards that constitutes wages, Defendants shall have no further payment or defense obligation whatsoever with respect to any claims covered by this Settlement made or asserted by any person or entity anywhere in the world in connection with the Class Members.

RELEASES

27. Class Members' Released Claims. Effective on the date when Defendants fully fund the entire Maximum Settlement Amount and fund all employer-side payroll taxes, all Participating Class Members will fully, finally and forever release, settle, compromise, relinquish, and discharge all of the Released Parties (Neal's Coffee Shop, Inc. and Sunil Prasad) from any and all claims, rights, demands, liabilities, and causes of action of every nature and description, arising from June 3, 2020, through March 14, 2025, including statutory, contractual, or common law claims for wages, damages, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief – whether asserted under the California Labor Code, Business and Professions Code §§ 17200 *et seq.*, the applicable wage orders at California Code of Regulations, Title 8, Section

1 11000 *et seq.*, or otherwise – that arise out of or are reasonably related to the factual allegations that
2 were alleged or could have been alleged in Plaintiffs’ Complaint herein, including but not limited to:
3 (a) any and all claim that Plaintiffs or any member of the Settlement class were not paid for all hours
4 worked; (b) any and all claims for failure to pay overtime wages for all overtime hours worked; (c)
5 any and all claims for failure to provide meal periods and/or pay meal premiums in lieu thereof; (d)
6 any and all claims for failure to authorize and permit rest breaks and/or pay rest break premiums in
7 lieu thereof; (e) any and all direct and derivative claims for failure to furnish accurate itemized wage
8 statements in accordance with Labor Code section 226, and including any associated claims for
9 penalties under Labor Code section 226(e); (f) any and all derivative claims for failure to provide
10 wages when due upon separation of employment; (g) any and all claims for failure to reimburse
11 business expenses; and (h) any and all claims for attorneys’ fees and costs.

12 **28. PAGA Released Claims by Plaintiffs and all of the PAGA-Eligible Employees.**

13 Plaintiffs as agent and proxy of the State of California and all of the PAGA-Eligible Employees shall
14 release the Released Parties (Neal’s Coffee Shop, Inc. and Sunil Prasad) from any and all claims for
15 PAGA civil penalties, arising from June 3, 2023, through March 14, 2025, that were alleged or
16 reasonably could have been alleged based on the facts contained in Plaintiff’s operative Complaint, as
17 enumerated in Paragraph 27 above. It is understood and agreed that PAGA-Eligible Employees will
18 not have the opportunity to opt out of this PAGA Release. Because future PAGA claims are subject
19 to claims preclusion as of the Effective Date, from that day forward, the State of California cannot
20 bring any PAGA Released Claims, nor can any individual bring any of the PAGA Released Claims in
21 the future as agent and proxy of the State of California.

22 **29. Plaintiffs’ Additional Release.** Effective on the date when Defendants fully fund the
23 entire Maximum Settlement Amount and fund all employer-side payroll taxes, and in addition to the
24 Class Members’ Released Claims, Plaintiffs, in their individual capacities, agree to release the
25 Released Parties (Neal’s Coffee Shop, Inc. and Sunil Prasad) from any and all claims she may have,
26 known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common
27 law, or other source of law, arising prior to March 14, 2025, including but not limited to claims
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1 arising from or related to her employment with Defendants, her compensation while in Defendants'
2 employ, and all other dealings she may have had with the Released Parties. Plaintiffs expressly
3 waive and relinquish all rights and benefits of section 1542 of the Civil Code of the State of
4 California, and do so understanding and acknowledging the significance and consequence of
5 specifically waiving their rights under section 1542 not to otherwise release unknown claims. Section
6 1542 of the Civil Code of the State of California states as follows:

7 **A general release does not extend to claims that the creditor or releasing party**
8 **does not know or suspect to exist in his or her favor at the time of executing the**
9 **release and that, if known by him or her, would have materially affected his or**
10 **her settlement with the debtor or released party.**

11 Notwithstanding the provisions of section 1542, and to implement a full and complete release and
12 discharge of the Released Parties, Plaintiffs expressly acknowledges that this Agreement is intended
13 to include in its effect, without limitation, all claims that Plaintiffs do not know or suspect to exist in
14 their favor at the time of signing this Agreement, and that this Agreement contemplates the
15 extinguishment of any such claims.

16 **MOTION FOR PRELIMINARY APPROVAL**

17 **30. Mutual Duty of Cooperation to Seek Approval.** The Parties agree to work diligently
18 and cooperatively to have this Settlement expeditiously and jointly presented to the Court for
19 preliminary approval. Promptly upon execution of this Agreement, the Parties shall apply to the
20 Court for the entry of an order scheduling a fairness hearing on the question of whether the proposed
21 settlement, including payment of attorneys' fees and costs, the Class Representative's Service Award
22 payments, and the PAGA Payment, should be preliminarily approved as fair, reasonable and adequate
23 as to the members of the Settlement Class. Class Counsel shall prepare a draft motion for
24 preliminary approval, including a proposed Preliminary Approval Order, and will circulate the draft
25 to Defense Counsel at least five business days in advance of its filing.

26 **31. Contents of Preliminary Approval Order.** As part of the motion for preliminary
27 approval, the Parties shall apply to the Court for the entry of an Order as follows:
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- a. Certifying the Settlement Class for settlement purposes only;
- b. Approving, as to form and content, the proposed Class Notice (**Exhibit A** attached hereto);
- c. Approving the manner and method for Class Members to object to or request exclusion from the Settlement, as contained herein and within the Class Notice;
- d. Directing the mailing of the Settlement Notices to Class Members, by first class mail;
- e. Preliminarily approving the Settlement subject only to the objections of Class Members and final review by the Court; and
- f. Setting a date and time for the Final Approval Hearing.

32. Resolution of Court Concerns. If the Court does not initially grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together, and in good faith, to modify the Agreement and/or otherwise satisfy the Court's concerns.

SETTLEMENT ADMINISTRATION

33. Selection of Settlement Administrator. The Parties have jointly selected Simpluris to serve as the Settlement Administrator and verified that, as a condition of appointment, Simpluris agrees to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Settlement Administration Costs. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements.

34. Qualified Settlement Fund. The Settlement Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under U.S. Treasury Regulation section 468B-1. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

1 **35. Mailing of Class Notices.** Within fifteen (15) calendar days after receiving the
2 Individual Class Payments and Individual PAGA Payments calculations from Plaintiffs' Damages
3 Consultant, the Settlement Administrator shall mail copies of the Court-approved Class Notice to all
4 Class Members via regular First-Class U.S. Mail. The Settlement Administrator shall exercise its
5 best judgment to determine the current mailing address for each Class Member. The address
6 identified by the Settlement Administrator as the current mailing address shall be presumed to be the
7 most current mailing address for each Class Member. The Settlement Administrator shall perform a
8 search based on the National Change of Address Database maintained by the United States Postal
9 Service to update and correct any known or identifiable address changes. The Parties agree that this
10 procedure for notice provides the best notice practicable to Class Members and fully complies with
11 due process.

12 **36. Undeliverable Class Notices.** Any Settlement Notice returned to the Settlement
13 Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the
14 forwarding address affixed thereto within five (5) calendar days of receipt of the returned Class
15 Notice by the Settlement Administrator. If no forwarding address is provided, the Administrator
16 shall attempt to determine a correct address by the use of skip-tracing, or other type of automated
17 search, using the name, address and/or Social Security number of the Class Member involved, and
18 shall then perform a re-mailing to the Class Member whose Class Notice was returned as non-
19 deliverable within five (5) calendar days of receipt of the returned Notice by the Administrator,
20 assuming another mailing address is identified by the Administrator. The deadlines for Class
21 Members to submit written Objections, Requests or Exclusion, or challenges to the estimated
22 Individual Class Payment will be extended an additional 7 calendar days from the date of the re-
23 mailing, even if this results in an extension of the otherwise-applicable 45-day Response Deadline. If
24 these procedures are followed, notice to Class Members shall be deemed to have been fully satisfied,
25 and if the intended recipient of the Settlement Notice does not receive the Class Notice, the intended
26 recipient shall nevertheless remain a Class Member and shall be bound by all terms of the Settlement
27 and the Final Order and Judgment.

1 **37. Determination of Individual Class Payments and Individual PAGA Payments.**

2 Plaintiffs' Damages Consultant shall determine the eligibility for, and the amounts of, each Individual
3 Settlement Award and Individual PAGA Payment under the terms of this Agreement based on the
4 estimated alleged unpaid overtime hours, meal and rest break premiums, off-the-clock work, shaved
5 time, Labor Code 226 penalties, and waiting time penalties during the Class Period based on
6 Defendants' timekeeping, scheduling, and payroll records. The Settlement Administrator will then
7 include the estimated Individual Class Payment amounts in each Class Member's Class Notice.

8 **38. Workweek and Damages Disputes.** Class Members who wish to dispute the number

9 of eligible Compensable Workweeks, dates of employment, or hourly rates set forth in the Notice, or
10 an individual who asserts that they should have been included as a member of the Class, may submit
11 a written statement to the Settlement Administrator within the Response Deadline setting forth the
12 number of Compensable Workweeks, dates of employment, and/or hourly rates they believe should
13 be credited to them within the applicable Class or PAGA Period, accompanied by any supporting
14 documentation of their claim. The Settlement Administrator, in consultation with Class Counsel,
15 Plaintiffs' Damages Consultant, and Defense Counsel, will review the pertinent payroll records.
16 Defendants' payroll records will be presumed to be correct unless an individual or Class Member
17 proves otherwise by credible evidence. The Settlement Administrator's decision as to the total
18 number of eligible Compensable Workweeks or estimated Individual Class Payment shall be final
19 and non-appealable, subject to the ultimate oversight and approval of the Court if necessary.

20 **39. Objections to the Settlement.** Any Participating Class Member may object to the

21 Settlement by submitting a written objection to the Settlement Administrator within the 45-day
22 Response Deadline, unless that deadline has been extended by a re-mailing of the Class Notice. An
23 objection should include: (a) the objector's full name, signature, address, and telephone number; (b) a
24 written statement of the grounds for the objection accompanied by any legal support for such
25 objection; and (c) copies of any papers, briefs, or other documents upon which the objection is based.
26 Objecting Class Members may appear at the Final Approval Hearing either in person, or through
27 counsel retained at Class Member's own expense, to have their objection heard, whether or not they
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1 had submitted a prior written objection as specified in this section. The Court will rule on any
2 objections to the settlement at the Final Approval Hearing. An objection may be withdrawn at any
3 time. The Settlement Administrator shall provide objections, if any, to Class Counsel and Defense
4 Counsel via email within three (3) calendar days of receipt, and the Settlement Administrator shall
5 attach any objections to its declaration of due diligence, which is to be filed with the Court prior to
6 the Final Approval Hearing. Any Participating Class Member who files an objection remains eligible
7 to receive monetary compensation from the Settlement. At no time shall any of the Parties, Class
8 Counsel, or Defense Counsel seek to solicit or otherwise encourage or discourage Class Members
9 from submitting a Notice of Objection or filing an appeal from the Final Order and Judgment. Class
10 Members who submit a Request for Exclusion are ineligible to object to the Settlement.

11 **40. Requests for Exclusion.** Any Class Member may request to be excluded from (“opt
12 out of”) the Settlement by submitting a signed, written request to the Settlement Administrator,
13 clearly communicating that the Class Member wishes to be excluded from the Settlement. To be
14 timely and valid, the Request for Exclusion must be mailed (postmarked) by the Response Deadline,
15 45 days from the Settlement Administrator’s mailing of the Class Notice, unless that deadline has
16 been extended by a re-mailing of the Class Notice. The Request for Exclusion should contain the
17 Class Member’s name, address, signature, date, telephone number or email address, and the name of
18 the case. Persons who submit a timely Request for Exclusion will be referred to as Non-Participating
19 Class Members. The Settlement Administrator will accept any Request for Exclusion as valid if the
20 Administrator can reasonably ascertain the identity of the person as a Class Member and the Class
21 Member’s desire to be excluded. Non-Participating Class Members will not be entitled to receive an
22 Individual Class Payment under the Settlement, will not be bound by the terms and conditions of the
23 Class Settlement, and will not be releasing any of the Class Members’ Released Claims. However,
24 Non-Participating Class Members who are PAGA-Eligible Employees will still receive Individual
25 PAGA Payments and are precluded from bringing PAGA Released Claims that are released by
26 Plaintiff and the State of California, as described in Paragraph 28. Any Class Member who does not
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1 submit a timely Request for Exclusion will be deemed to be a Participating Class Member and will be
2 bound by the terms and conditions of the Settlement.

3 **41. No Encouragement to Opt Out.** No Party will encourage any Class Member to opt
4 out of the Settlement.

5 **42. Weekly Status Reports.** Following the mailing of the Class Notice, the Settlement
6 Administrator will provide Class Counsel and Defense Counsel with weekly reports of, among other
7 things: the number of Class Notices mailed or re-mailed, Class Notices returned undelivered,
8 Requests for Exclusion (whether valid or invalid) received, objections received, and challenges to the
9 number of Compensable Workweeks, dates of employment, or hourly rates received and/or resolved.
10 The Administrator will promptly provide counsel for the Parties with copies of any objections
11 received. Additionally, the Settlement Administrator will provide to counsel for the Parties any other
12 updated reports regarding the administration of the Settlement as may be needed or requested from
13 time to time, including any declarations required by the Court.

14 **43. Distribution of Settlement Proceeds.** The Settlement Administrator shall distribute
15 the Maximum Settlement Amount in accordance with the schedule set forth in Paragraph 21. The
16 Settlement Administrator will keep Class Counsel and Defense Counsel apprised of all distributions.
17 No person will have any claim against Defendants, Defense Counsel, Plaintiffs, Class Counsel, or the
18 Settlement Administrator based on distributions and payments made under this Joint Stipulation.

19 **44. Other Duties of the Settlement Administrator.** The Settlement Administrator shall
20 perform such other duties as may be necessary from time to time, as directed by Counsel or the
21 Court. This shall include, among other things, (1) maintaining and monitoring an email address and
22 toll-free telephone number to receive Class Member calls, faxes and emails; (2) providing Counsel
23 for the Parties with a declaration suitable for filing in Court at least 14 days before Plaintiffs are
24 required to file their motion for Final Approval of the Settlement, attesting to the Administrator's
25 compliance with all of its obligations under the Agreement and other necessary information regarding
26 the Class Notices, Requests for Exclusion and objections; and (3) providing a final report and
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1 compliance declaration suitable for filing with the Court following the Administrator's disbursement
2 of all the payments required by this Agreement, in accordance with any deadlines set by the Court.

3 **MOTION FOR FINAL APPROVAL**

4 **45. Final Settlement Approval Hearing and Entry of Final Order and Judgment.**

5 Following expiration of the Response Deadline, Plaintiffs shall prepare and file a motion seeking
6 final approval of the Settlement, including a request for approval of the PAGA settlement under
7 Labor Code section 2699(1)(2), a proposed Final Approval Order, and a proposed Judgment.
8 Plaintiffs shall provide drafts of the motion for final approval and proposed Final Order and
9 Judgment to Defense Counsel not later than five (5) business days prior to filing the motion.
10 Plaintiffs' motion for Final Approval shall be accompanied by a declaration from the Settlement
11 Administrator, as referenced above, describing the process and results of the administration of the
12 Settlement to date. Plaintiffs will prepare and include with the Final Approval motion a request
13 seeking approval of Plaintiffs' request for reimbursement of Class Counsel's attorneys' fees and costs
14 incurred in this matter and Plaintiffs' request for Class Representative Service Awards.

15 **46. Contents of Proposed Final Order and Judgment.** The proposed Final Order and
16 Judgment will include, among other things:

- 17 a. Final Approval of the Settlement, adjudging the terms thereof to be fair,
18 reasonable and adequate, and directing consummation of its terms and provisions;
- 19 b. Approval of Class Counsel's application for an award of attorneys' fees
20 and costs;
- 21 c. Approval of the Class Representative Service Awards payment to
22 Plaintiffs;
- 23 d. Approval of the Settlement Administration Costs;
- 24 e. Approval of the PAGA settlement;
- 25 f. The setting of a date when the Parties shall submit the Final Report
26 regarding the distribution of the Maximum Settlement Amount pursuant to California Code of Civil
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1 Procedure section 384, and, if necessary, a date for a final accounting hearing following its receipt of
2 the Final Report;

3 g. The entering of a judgment in the Action that is intended to preclude
4 any Class Members from pursuing any individual, class or representative claims against any of the
5 Released Parties that have been released herein pursuant to the Settlement Agreement, upon
6 satisfaction of all payments and obligations hereunder, excluding the Class claims of those persons
7 who submitted valid and timely Requests for Exclusion.

8 **47. Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final
9 Approval on any material change to the Settlement, the Parties will expeditiously work together in
10 good faith to address the Court's concerns, including, if necessary, by revising the Agreement to
11 obtain Final Approval. The Court's decision to award less than the amounts requested for the Class
12 Representative Service Payment, Class Counsel Award of fees and costs, and/or Settlement
13 Administration Costs shall not constitute a material modification of the Agreement within the
14 meaning of this Paragraph.

15 **48. Jurisdiction of the Court Following Judgment.** Following entry of the Final Order
16 and Judgment, the Court shall retain jurisdiction solely with respect to the interpretation,
17 implementation, and enforcement of the terms of this Agreement and all orders and judgments
18 entered in connection therewith; and addressing any other settlement administration and compliance
19 matters that may require its attention. If any party brings an action to enforce the terms of this
20 Agreement, the prevailing party shall be entitled to its/her reasonable attorneys' fees and costs.

21 **ADDITIONAL PROVISIONS**

22 **49. Nullification of Settlement for Other Reasons.** In the event: (i) the Court does not
23 enter the Preliminary Approval Order; (ii) the Court does not grant Final Approval of the Settlement;
24 (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement does not become
25 final for any other reason, this Agreement shall be rendered null and void, and any order or judgment
26 entered by the Court in furtherance of this Agreement shall be treated as void from the beginning. In
27 such a case, this Agreement and any documents related to it shall not be used by any Class Member
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1 or Class Counsel to support any claim or request for class certification in the Action, and shall not be
2 used in any other civil or administrative action against Defendants or any of the other Released
3 Parties.

4 **50. Plaintiffs' Waiver of Right to Be Excluded.** Each Plaintiff agrees that by signing this
5 Agreement, she will be bound by the terms herein. Each Plaintiff further agrees that, upon signing
6 this Agreement, she will not request to be excluded from this Settlement, and that any such request
7 for exclusion by Plaintiff will be void and of no force or effect.

8 **51. Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and
9 conditions of this Agreement, the Parties, their respective counsel, and all Participating Class
10 Members who did not object to the Settlement as provided in this Agreement waive all rights to
11 appeal from the Judgment. If an objector appeals the Judgment, the Parties' obligations to perform
12 under this Agreement will be suspended until the appeal is finally resolved and the Judgment
13 becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
14 However, nothing in this Agreement shall preclude Plaintiffs from appealing from a court order
15 denying or failing to grant in full her requests for attorneys' fees, costs, or service award. Any order
16 reducing the Class Counsel Award or the Class Representative Service Awards will not be grounds
17 on Plaintiffs' part to nullify or void this Settlement.

18 **52. No Admission of Liability, Class Certification or Representative Manageability**
19 **for Other Purposes.** Defendants deny all claims alleged in the Action and denies all wrongdoing
20 whatsoever by Defendants. Defendants further deny that any of its employees has been "aggrieved"
21 by a violation of the Labor Code. Neither this Agreement, nor any of its terms and conditions, nor
22 any of the negotiations connected with it, is a concession or admission, and none shall be used against
23 Defendants as an admission or indication with respect to any claim of any fault, concession, or
24 omission by Defendants or that class certification is proper under the standard applied to contested
25 certification motions. The Parties agree that certification of the proposed class and representative
26 treatment under PAGA is for purposes of this Settlement only. This Agreement will not be
27 admissible in this or any other proceeding as evidence that either a class action should be certified,
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1 that Plaintiffs' PAGA claims are manageable for trial, or that Defendants are liable to Plaintiffs or
2 any Class Member, other than according to the terms of this Agreement.

3 **53. Tax Liability.** The Parties make no representations as to the tax treatment or legal
4 effect of the payments specified herein, and Class Members are not relying on any statement or
5 representation by the Parties, Class Counsel or Defense Counsel in this regard. Other than with
6 regard to the employer's share of payroll taxes, Participating Class Members, PAGA-Eligible
7 Employees, Class Counsel, and Plaintiffs shall be solely and legally responsible for the payment of
8 all applicable taxes and penalties assessed on the payments specified herein.

9 **54. Circular 230 Disclaimer.** The Parties acknowledge and agree that (i) no provision of
10 this Agreement, and no written communication or disclosure between or among the Parties, Class
11 Counsel or Defense Counsel and other advisors, is or was intended to be, nor shall any such
12 communication or disclosure constitute or be construed or be relied upon as, tax advice within the
13 meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (ii) the
14 acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and tax
15 counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into
16 this Agreement based upon the recommendation of any other party or any attorney or advisor to any
17 other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or
18 advisor to any other party to avoid any tax penalty that may be imposed on the acknowledging party;
19 and (iii) no attorney or advisor to any other party has imposed any limitation that protects the
20 confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such
21 limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax
22 structure of any transaction, including any transaction contemplated by this Settlement.

23 **55. Authorization to Enter into Agreement.** Class Counsel and Defense Counsel
24 warrant and represent that they are expressly authorized by the Parties whom they represent to
25 negotiate this Agreement and to take all appropriate actions required or permitted to be taken by the
26 Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents
27 required to effectuate its terms. The person signing this Stipulation of Settlement on behalf of
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1 Defendants represents and warrants that he/she is authorized to sign this Agreement on behalf of
2 Defendants. Each Plaintiff represents and warrants that she is authorized to sign this Agreement on
3 behalf of herself and the Class, and as proxy for the State of California, and that she has not assigned
4 any claim or part of a claim covered by this Agreement to a third party.

5 **56. Cooperation to Effectuate Settlement.** The Parties, Class Counsel and Defense
6 Counsel shall cooperate with each other and use their best efforts to effect the implementation of this
7 Settlement. In the event the Parties are unable to reach agreement on the form or content of any
8 document needed to implement the Settlement, or on any supplemental provisions that may become
9 necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court
10 to resolve such disagreement.

11 **57. Notice to LWDA.** Class Counsel shall submit any required notices of this Agreement
12 to the LWDA as may be required by Labor Code sections 2699(1)(2) and (3) or other provisions of
13 PAGA.

14 **58. Invalidity of Any Provision.** In the event the Court declares any material provision
15 of this Agreement invalid, the Agreement will be void and its terms will be of no force and effect,
16 except as otherwise agreed to by the Parties in writing, subject to the Court's approval. Before the
17 Court concludes that any term or provision of this Agreement is invalid, the Parties will request that
18 the Court first attempt to construe the terms or provisions valid to the fullest extent possible
19 consistent with applicable precedents so as to define all provisions of this Agreement as valid and
20 enforceable. The Parties further agree to meet and confer in an attempt to resolve any issues or
21 concerns the Court may have as to the validity of any provision in an effort to effectuate the essential
22 terms of this Settlement, and to discuss any possible amendments to this Agreement or its Exhibit A
23 needed to obtain the Court's approval of the Settlement.

24 **59. Binding Nature of Notice of Class Action Settlement.** It is agreed that, because the
25 Class Members are so numerous, it is impossible or impractical to have each Class Member execute
26 the Agreement. The Class Notice shall advise all Class Members of the binding nature of the
27 Settlement, and the release of the Class Members' Released Claims as described above in Paragraph
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1 27 shall have the same force and effect as if this Agreement were executed by each Participating
2 Class Member.

3 **60. Entire Agreement.** This Agreement and its attached Exhibit A constitute the entire
4 agreement between the Parties, and no oral or written representations, warranties, or inducements
5 have been made to Plaintiff or Defendants concerning this Agreement or Exhibit A other than the
6 representations, warranties, and covenants contained and memorialized in this Agreement and Exhibit
7 A. No other prior or contemporaneous written or oral agreements may be deemed binding on the
8 Parties.

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

12 **62. Amendment or Modification.** This Agreement may be amended or modified only by
13 a written instrument signed by counsel for all Parties or their successors-in-interest, and approved by
14 the Court.

15 **63. Governing Law.** All terms of this Agreement and its Exhibit A shall be governed by
16 and interpreted according to the laws of the State of California, without regard to conflict of law
17 principles.

18 **64. Binding on Successors and Assigns.** This Agreement shall be binding upon, and
19 inure to the benefit of, the successors and assigns of the Parties.

20 **65. Headings.** The descriptive heading of any section or paragraph of this Agreement is
21 inserted for convenience of reference only and does not constitute a part of this Agreement.

22 **66. Counterparts.** This Agreement may be executed in one or more counterparts by
23 facsimile, electronically (i.e., DocuSign), or email, which for purposes of this Agreement shall be
24 accepted as an original. All executed counterparts and each of them shall be deemed to be one and
25 the same instrument if counsel for the Parties exchange between themselves signed counterparts.
26 Any executed counterpart will be admissible in evidence to prove the existence and contents of this
27 Agreement.

1 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
2 Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs and Defendants as
3 of the date(s) set forth below:

4
5 Dated: 06/10/2025

PLAINTIFFS


Norma M. Santizo (Jun 10, 2025 18:06 PDT)

Norma Santizo

Mimi Lee

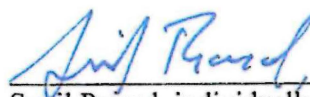
Mimi Lee (Jun 10, 2025 19:21 PDT)

Mimi Lee

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8 Dated: _____

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10 DEFENDANTS NEAL'S COFFEE SHOP,
11 INC. AND SUNIL PRASAD

12 Dated: 6-6-2025

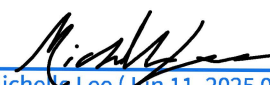

Sunil Prasad, individually and on behalf of
Neal's Coffee Shops

INDIVIDUALLY AND ON
BEHALF OF "NEAL'S COFFEE SHOP"

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15 APPROVED AS TO FORM:

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17 Dated: _____

RUDY, EXELROD, ZIEFF & LOWE, LLP

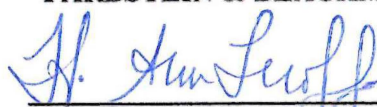
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19 By: 
Michelle Lee (Jun 11, 2025 09:12 PDT)

20 JOHN T. MULLAN
21 MICHELLE G. LEE

22 Attorneys for Plaintiffs Norma Santizo and Mimi Lee,
23 individually and on behalf of all others similarly
situated

24 Dated: 6-6-2025

FARBSTEIN & BLACKMAN

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26 By: 
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H. ANN LIROFF

27 Attorneys for Defendants Neal's Coffee Shop, Inc. and Sunil Prasad
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