PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Skye Nelson ("Plaintiff") and Defendant SusieCakes, LLC ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

A. DEFINITIONS.

1. "Action" means the Plaintiff's representative PAGA lawsuit alleging wage and hour violations against Defendant captioned *Nelson v. SusieCakes, LLC*, Case No. CGC-24-621008 that was initiated on December 27, 2024 and is pending in Superior Court of the State of California, County of San Francisco.

2. "Administrator" means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

3. "Administration Expenses Payment" means the amount that the Administrator will be paid from the Gross Settlement Amount as reimburse for its reasonable fees and expenses incurred pursuant to administering the settlement.

4. "Aggrieved Employee" means all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the PAGA Period.

5. "Aggrieved Employee Data" means the Aggrieved Employees' identifying information in Defendant's possession including the Aggrieved Employee's: (a) name; (b) last-known mailing address; (c) Social Security number; and (d) number of pay periods.

6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for the current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

7. "Court" means the Superior Court of California, County of San Francisco.

8. "Defendant" means named SusieCakes, LLC.

9. "Defense Counsel" means Sheppard, Mullin, Richter & Hampton LLP.

10. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement; and (b) the Judgment is final. The Judgment is final only after the Court grants the Motion for Approval and upon the latter of the following: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Order Granting Approval (this time period shall not be less than seventy (70) calendar days after the Court's Order is entered); (ii) the date of affirmance of an appeal of the

Order Granting Approval becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting Approval or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Approval.

11. "Gross Settlement Amount" means $173,800, which is the total amount that Defendant agrees to pay under the Settlement except as provided in the Escalator Clause herein. The Gross Settlement Amount will be used to pay Individual PAGA Payments, LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Service Payment, and Administrator's Expenses Payment.

12. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of thirty-five percent (35%) of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

13. "Judgment" means the judgment entered by the Court based upon the Final Approval.

14. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699.

15. "LWDA PAGA Payment" means the sixty-five percent (65%) of the PAGA Penalties paid to the LWDA under Labor Code section 2699.

16. "PAGA Counsel" means Justice Law Corporation, the attorneys representing the Plaintiff in the Action.

17. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

18. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one (1) day during the PAGA Period.

19. "PAGA Period" means the period from October 22, 2023, through March 12, 2026.

20. "PAGA" means the Private Attorneys General Act (Labor Code § 2698. *et seq*.).

21. "PAGA Notice" means Plaintiff's written notice that was sent to Defendant and LWDA on October 22, 2024 that provided notice pursuant to Labor Code section 2699.3, subdivision (a).

22. "PAGA Penalties" means the Gross Settlement Amount less the following payments in the amounts approved by the Court: (a) PAGA Counsel Fees Payment; (b) PAGA Counsel Litigation Expenses Payment; (c) Service Payment; and (d) Administration Expenses Payment. Sixty-five percent (65%) of the PAGA Penalties will be paid to the LWDA as the LWDA Payment and thirty-five percent (35%) of the PAGA Penalties will be paid to the Aggrieved Employees as their Individual PAGA Payments.

23. "Plaintiff" means Skye Nelson, the named plaintiff in the Action.

24. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

25. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph E.

26. "Released Parties" means Defendant, SusieCakes Holdings, Inc., and each of its past, present, and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, potential and alleged joint employers, potential and alleged common law employers, potential and alleged dual employers, affiliates, alter-egos, service providers, subcontractors, employee benefit plans, and fiduciaries thereof, affiliated organizations, any person and/or entity with alleged joint liability, temporary staffing agencies, and all of their respective past, present, and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, assigns, and all other persons acting under, by, through, or in concert with any of them.

27. "Service Payment" means the payment to Plaintiff for initiating the Action and providing services in support of the Action.

28. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

B. RECITALS.

1. On October 22, 2024, Plaintiff provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code that Plaintiff contends were violated and the theories supporting the contentions, including claims for: (a) failure to pay overtime wages, (b) failure to pay double-time wages, (c) failure to pay minimum wages, (d) failure to pay wages for time worked off the clock, (e) failure to pay wages at the correct rate of pay, (f) failure to provide meal periods, (g) failure to authorize and permit rest period, (h) failure to maintain accurate and complete pay and time records, (h) waiting time penalties, (i) failure to provide accurate itemized wage statements, (j) failure to provide paid sick leave, (k) failure to provide one day's rest in seven, (l) requiring employees to enter into unlawful agreements, and (m) failure to reimburse for all necessary business expenses. The PAGA Notice asserts claims, including, but not limited to, Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 210, 218.5, 221, 226, 226.3, 226.7, 246, 432.5, 510, 512, 551, 552, 558, 1174, 1194, 1197, 1197.1, 1198, 2800 and 2802, 2698 *et seq.*, and 2699 *et seq*.

2. On December 27, 2024, Plaintiff filed a representative PAGA action in the Superior Court of California, County of San Francisco, that was predicated on the alleged: (a) failure to pay minimum and overtime wages; (b) failure to provide meal periods and rest breaks; (c) failure to timely pay wages during employment; (d) failure to timely pay wages upon termination; (e) failure to provide complete and accurate wage statements; and (f) failure to reimburse business expenses ("Operative Complaint").

3. After engaging in discovery, investigations, and negotiations, on December 10, 2025, the Parties attended mediation with the mediator Michael Ludwig. Under the auspices of the mediator and after a full day of mediation, the Parties reached a settlement on a PAGA-only basis via a mediator's proposal, subject to the Court's approval.

4. Defendant denies all the allegations in the Action and any contention that it committed any misconduct, wrongdoing, or any other actionable conduct of any kind, including any violation of the Labor Code.

5. The Parties have analyzed and investigated the facts and law relevant to the Action. Defendant has produced documents and data, including, but not limited to, information pertaining to the policies, practices, and procedures implicated by the PAGA claims. This production of documents and data included meal and rest breaks, overtime, timekeeping, and payroll policies along with a sampling of time and payroll records. The Parties had an opportunity to evaluate their positions on the merits of the claims asserted.

6. The Parties believe this Agreement constitutes a fair, adequate, and reasonable settlement of the Action and have arrived at this Agreement in arms-length negotiations, considering all relevant factors, present and potential, and will so represent to the Court. This Settlement was reached after litigation and negotiations. The Parties have conducted investigation of the facts and law during the prosecution of this Action. The Parties have also investigated the applicable law as applied to the facts discovered regarding the alleged claims of Plaintiff and potential defenses thereto and penalties claimed by Plaintiff.

7. The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

C. STATEMENT OF NO ADMISSION

1. The Parties agree that this Agreement reflects their good faith compromise of the claims raised in the Action, based upon their assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel. This Agreement does not constitute, is not intended to constitute, and will not be deemed to constitute, an admission of liability by Defendant as to the merits, validity, or accuracy of any of the allegations or claims made against Defendant in the Action.

2. Neither this Agreement, nor any action taken or made in implementation thereof, nor any statements, discussions, or communications, nor any materials prepared, exchanged, issued, or used during the course of the negotiations leading to the Agreement, is intended by the Parties (nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding) as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, the Agreement may be used in any proceeding that has as its purpose the interpretation, implementation, or enforcement of the Agreement or any orders or judgments of the Court entered into in connection therewith.

3. Evidence produced or created by the Parties in connection with the Settlement procedure do not constitute, are not intended to constitute, and will not be deemed to constitute, an admission by Defendant of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.

4. If this Settlement is not approved by the Court, is terminated, or fails to be enforceable, Defendant will not be deemed to have waived, limited, or affected in any way any of its objections or defenses in the Action.

D. MONETARY TERMS.

1. <u>Gross Settlement Amount</u>. Except as otherwise provided by the Escalator Clause herein, Defendant promises to pay $173,800 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph D.3 The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

2. <u>Payments from the Gross Settlement Amount</u>. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

   i. <u>To PAGA Counsel</u>: A PAGA Counsel Fees Payment of not more $60,830 (35% of the Gross Settlement Amount and PAGA Counsel Litigation Expenses Payment of not more than $15,000.

      A. Defendant will not oppose requests for Court approval of the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the PAGA Penalties. In consideration of the PAGA Counsel Fees Payment and PAGA

Counsel Litigation Expenses Payment, PAGA Counsel waives all claims to any further attorneys' fees and costs in connection with the litigation of the Action. Plaintiff, PAGA Counsel, and Aggrieved Employees shall assume full responsibility and liability for the payment of taxes due on such awards.

B. The Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment and holds Defendant harmless from any dispute or controversy regarding any division or sharing of any of these payments.

C. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS Form 1099.

ii. <u>To Plaintiff</u>. The Service Payment of $10,000 to Plaintiff.

A. As part of the application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment, Plaintiff will seek Court approval of the Service Payment. Defendant will not oppose the request for the Service Payment that does not exceed this amount. If the Court approves the Service Payment less than the amount requested, the Administrator will allocate the remainder to the PAGA Penalties.

B. The Administrator will pay the Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Service Payment.

iii. <u>To the Administrator:</u> An Administrator Expenses Payment not to exceed $7,500 except for a showing of good cause and as approved by the Court.

A. To the extent the Administration Expenses are less or the Court approves payment less than $7,500, the Administrator will allocate the remainder to the PAGA Penalties.

iv. <u>To the LWDA and Aggrieved Employees:</u> Sixty-five percent (65%) of the PAGA Penalties will be allocated to the LWDA as the LWDA PAGA Payment, and thirty-five percent (35%) of the PAGA Penalties will be allocated to the Aggrieved Employees as their Individual PAGA Payments.

A. The Administrator will calculate each Individual PAGA Payment by: (1) dividing the amount of the Aggrieved Employees' share of PAGA Penalties by the total number of PAGA Pay Period worked by all the Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Period. The Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA

Payment.

B. The Administrator will report the Individual PAGA Payments on IRS Form 1099.

E. SETTLEMENT FUNDING AND PAYMENTS.

1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates that there are approximately 580 Aggrieved Employees who worked a total 16,425 of pay periods within the PAGA Period.

2. Aggrieved Employee Data. No later than fourteen (14) calendar days after the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator will maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or resolve any issues related to missing or omitted Aggrieved Employee Data.

3. Funding of the Gross Settlement Amount. No later than fourteen (14) calendar days after the Effective Date, Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator.

4. Payments from the Gross Settlement Amount. No later than fourteen (14) calendar days after the funding of the Gross Settlement Amount, the Administrator will mail the checks for all Individual PAGA Payments, LWDA PAGA Payment, Administration Expenses Payment, PAGA Counsel Expenses Payment, PAGA Counsel Litigation Expenses Payment, and Service Payment. The disbursement of the PAGA Counsel Expenses Payment, PAGA Counsel Litigation Expenses Payment, and Service Payment shall not precede disbursement of the Individual PAGA Payments.

i. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 calendar days after the date of mailing) when the check will be voided. The Administrator will cancel all the checks not cashed by the void date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the NCOA.

ii. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are retuned undelivered without USPS forwarding address. No later than seven (7) calendar days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

iii. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

iv. The payment of the Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

F. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

1. <u>Plaintiff's Release</u>. In addition to the releases set forth below, Plaintiff makes the following general release of all claims, known or unknown ("Plaintiff's Release"). Plaintiff releases the Released Parties from all claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule, or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted prior to the execution hereof ("Plaintiff's Release").

   i. Plaintiff's Release includes, but is not limited to: (a) claims for failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, shift differential pay, bonuses, and tips or commissions; (b) claim for failure to pay for all hours worked; (c) claims for failure to pay for off-the-clock work; (d) claims for failure to pay for donning and doffing time, on call pay, time rounding claims, and allowances; (e) claims for failure to timely pay wages; (f) claims for missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; (g) claims for failure to provide meal periods; (h) claims for failure to authorize and permit rest periods and/or recovery periods; (i) claims for failure to properly calculate premium wages for meal period and rest period; (j) claims for failure to pay reporting time pay, sick pay, severance pay, final pay, paid leave benefits, vacation, and holiday or paid time off; (k) claims for unauthorized deductions or garnishments; (l) claims for unreimbursed of business expenses; (m) claims for regular rate claims; (n) claims for failure to provide accurate itemized wage statements; (o) claims for failure to maintain records; (p) claims for failure to provide suitable seating; (q) claims for failure to maintain temperature providing reasonable comfort; and (r) interest, damages, and promises on any and all of the above.

ii. Plaintiff's Release further includes, but is not limited to, any alleged: (a) violation of the National Labor Relations Act, Title VII of the Civil Rights Act, Fair Employment and Housing Act, Americans With Disabilities Act of 1990, Federal Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990, Fair Labor Standards Act, Labor Code, any applicable Wage Order, Government Code, PAGA (to include acting as a PAGA representative), Occupational Safety and Health Act, Consolidated Omnibus Budget Reconciliation Act of 1985, Family Rights Act, Fair Pay Act, Equal Pay Act, the Employee Retirement Income Security Act (excluding vested benefits), Unfair Business Practices Act/Unfair Competition Law, Family and Medical Leave Act, Worker Adjustment and Retraining Notification Act, and any state law equivalent; (b) harassment, discrimination, and/or failure to prevent harassment or discrimination on the basis of age race, color, ancestry, national origin (including language use restrictions), citizenship, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), marital status, domestic partnership status, sexual orientation, gender, gender identity or gender expression, veteran status, military status, political affiliation, family care or medical leave status or the denial of family and medical care leave, physical or mental disability (including HIV and AIDS), medical condition (including cancer and genetic characteristics), genetic information or any other basis protected by applicable federal, state and/or local laws, regulations, rules, ordinances and/or orders, or any combination and/or intersectionality thereof; (c) any whistleblower or retaliation claims, or failure to prevent retaliation claims, on the basis of any protected activity or other protected basis; (d) breach of any express or implied promise, contract or agreement (express or implied), or breach of the implied covenant of good faith and fair dealing; (e) any tort or common law claims, including wrongful discharge, intentional or negligent infliction of emotional distress, negligence, fraud, misrepresentation, defamation, libel, slander, interference with prospective economic advantage, or other tort or common law actions; (f) claims for misclassification, wage and hour, failure to pay wages due or other monies owed, or other claims related to hours, conditions, or compensation related to work; and (g) any other violation of local, state, or federal law, constitution, statute, regulation or ordinance, public policy, contract, or tort or common law claim, whether for legal or equitable relief, having any bearing whatsoever on the terms and conditions of employment, or association or working relationship, with any of the Released Parties, including, but not limited to, any allegations for penalties, interest, costs and fees, including attorneys' fees, incurred in any of these matters, which Plaintiff ever had, now has, or may have as of the date of Plaintiff's Release. All such claims, liabilities or causes of action (including, without limitation, claims for related attorneys' fees and costs) are forever barred by this Agreement regardless of the forum in which they may be brought. The Parties intend for the Plaintiff's Release to be as broad as possible.

iii. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or to claims based on occurrences outside the PAGA Period.

iv. The Plaintiff's Release includes any unknown claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of the Plaintiff's Release, which, if known by Plaintiff, might have affected Plaintiff's settlement with, and release of, Released Parties by Plaintiff or might have affected Plaintiff's decision not to object to this Settlement or the Plaintiff's Release.

v. Plaintiff may hereafter discover facts in addition to or different from those Plaintiff now knows or believes to be true with respect to the subject matter of the Plaintiff's Release. But Plaintiff, effective on the date when Defendant fully funds the entire Gross Settlement Amount, shall be deemed to have, and by operation of the Court's approval of the Settlement, shall have, fully, finally, and forever settled and released any and all of the claims released pursuant to the Plaintiff's Release whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

vi. With respect to the Plaintiff's Release, Plaintiff stipulates and agrees that, effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff shall be deemed to have, and by operation of the Court's approval of the Settlement, shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of section 1542 of the Civil Code, or any other similar provision under federal or state law, which provides:

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

vii. Plaintiff fully understands, acknowledges and agrees that Plaintiff: (a) has been given five (5) business days to consider this Agreement before signing and advised to consult an attorney; (b) has carefully read and fully understands all of the provisions of this Agreement; (c) is, by the execution of this Agreement, waiving, releasing, and forever discharging the Released Parties from all rights and claims that Plaintiff has or may have against the Released Parties prior to Plaintiff's execution of this Agreement; (d) knowingly and voluntarily agrees to all of the terms of this Agreement; (e) knowingly and voluntarily intends to be legally bound by all of the terms of this Agreement; and (f) is, at the time of signing this Agreement, under forty (40) years old.

2. Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from: (a) all claims of Aggrieved Employees (and/or asserted on behalf of Aggrieved Employees) for penalties, attorneys' fees, costs, interest, and any and all other alleged claims and/or damages asserted in the Operative Complaint and PAGA Notice; (b) all claims arising out of or in any way relating to the facts giving rise to any of the claims asserted in the Operative Complaint and PAGA Notice, directly or indirectly; or (c) any and all claims that Plaintiff has alleged in the Action or that could have been alleged based on the facts alleged in the Operative Complaint and PAGA Notice ("Released PAGA Claims").

   i. The Released PAGA Claims include all claims for unpaid wages, including, but not limited to, claims relating to: (1) failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; (2) calculation of the regular rate of pay; (3) wages related to alleged illegal time rounding; (4) missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; (5) failure to provide meal periods; (6) failure to authorize and permit rest periods and/or recovery periods; (7) calculation of meal period, rest period, and/or recovery period premiums; (8) payment for all hours worked, including off-the-clock work; (9) failure to issue accurate itemized wage statements; (10) failure to keep/maintain accurate records including payroll records; (11) failure to provide paid sick leave; (12) failure to provide one day's rest in seven; (13) requiring employees to enter into unlawful agreements; (14) failure to reimburse for all necessary business expenses; (15) penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum wage penalties, and waiting time penalties; (16) failure to timely pay wages; (17) failure to timely pay final wages; (18) attorneys' fees and costs; and (19) all claims relating to alleged violations of the Labor Code, including, but not limited to, sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 210, 218.5, 221, 226, 226.3, 226.7, 246, 432.5, 510, 512, 551, 552, 558, 1174, 1194, 1197, 1197.1, 1198, 2800 and 2802, 2698 *et seq.*, and 2699 *et seq*.

3. Release by PAGA Counsel. PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors, and assigns the Released Parties from all claims for PAGA fees incurred in connection with the Operative Complaint and PAGA Period facts stated in the Operative Complaint and PAGA Notice.

G. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement, including: (a) a draft proposed Order Granting Approval of PAGA Settlement; (b) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the

Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (c) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents pursuant to Labor Code section 2699(s)(2).; and (d) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

2. Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than thirty (30) calendar days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel will obtain Defendant's approval of the motion for approval by sending it for Defendant's review and comment no later than three (3) business days before filing it with the Court and considering in good faith any suggested changes made by Defendant. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

4. If the Court does not approve the Settlement after four (4) attempts by the Parties to cure any deficiencies, following a good faith meet and confer of the Parties and unless otherwise agreed to in writing by the Parties, this Settlement shall be null and void, and the Parties and any funds to be awarded under this Settlement shall be returned to their respective statuses as of the date and time immediately prior to the execution of any Settlement. The Parties shall proceed in all respects as if this Settlement had not been executed and shall have no force or effect. The Parties do not waive any defenses related to any claims alleged.

5. In the event an appeal or petition for writ of mandamus is filed from the Court's order granting approval of the Settlement, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review.

H. SETTLEMENT ADMINISTRATION.

1. Selection of Administrator. The Parties have selected Phoenix Class Action Administration Solutions to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

4. Administrator's Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

I. ESCALATOR CLAUSE. If it is determined that the number of pay periods within the PAGA Period exceeds 16,425 by more than ten percent (10%) (*i.e.*, exceeds 18,068 pay periods), then Defendant has the option to either: (1) increase the Gross Settlement Amount by the percentage increase over the ten percent (10%) increase (*i.e.*, if the number of pay periods increases by 11%, then the Gross Settlement Amount will increase by 1%); or (2) end the PAGA Period on the date when the number of pay periods reaches 18,068 pay periods.

J. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of: (1) enforcing this Agreement and/or Judgment; (2) addressing settlement administration matters; and (3) addressing such post-Judgment matters as are permitted by law.

1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, including the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and Service Payment, the Parties and their counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings and right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the PAGA Penalties.

K. PUBLICITY

1. Except as necessary to obtain Court approval, including the prior submission to the LWDA, Plaintiff and PAGA Counsel shall not communicate the terms or the fact of the Settlement to any third party or parties other than: (a) employees or law partners of PAGA Counsel and/or Plaintiff's immediate family members; and (b) their respective accountants or lawyers as necessary for tax purposes. Plaintiff and PAGA Counsel agree not to refer to the Action, Defendant, Defense Counsel, or Settlement in any print media and/or on any website or electronic or other communication and agree to limit their statements (including electronic statements on the internet) regarding the Settlement to only say that the Action has been resolved. Neither Plaintiff nor PAGA Counsel may issue any press release or announcement of any kind related in any way to the Settlement (to include, but not limited to, postings on the worldwide web or submissions to legal publications). The Administrator shall not host or publish any website in association with the Settlement unless required by court order.

L. ADDITIONAL PROVISIONS.

1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate this Agreement).

2. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

4. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

5. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

6. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended).

7. Modification of this Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

8. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

9. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

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

11. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

12. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) calendar days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of

Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all settlement funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

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

14. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

15. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:	Douglas Han Shunt Tatavos-Gharajeh **Justice Law Corporation** 751 North Fair Oaks Avenue, Suite 101 Pasadena, California 91103 (Tel) (818) 230-7502 (Fax) (818) 230-7259 dhan@JusticeLawCorp.com statavos@JusticeLawCorp.com
To Defendant:	Richard J. Simmons Jason W. Kearnaghan Melissa Smith **Sheppard, Mullin, Richter & Hampton LLP** 333 South Hope Street, 43rd Floor Los Angeles, California 90071-1448 (Tel) (213) 620-1780 (Fax) (213) 620-1398 rsimmons@sheppardmullin.com jkearnaghan@sheppardmullin.com melissasmith@sheppardmullin.com
	Amanda E. Beckwith **Sheppard, Mullin, Richter & Hampton LLP** Four Embarcadero Center, 17th Floor San Francisco, California 94111-4109 (Tel) (415) 434-9100 (Fax) (415)434-3947 abeckwith@sheppardmullin.com

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

17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: 02/27/2026

Skye Nelson

By: Skye Nelson

Dated: 02/27/2026

Justice Law Corporation [Approving as to Form Only]

By: D. Han
Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Attorneys for Plaintiff

Dated: ____________________

SusieCakes, LLC

By: ____________________
On behalf of SusieCakes, LLC

Dated: ____________________

Sheppard, Mullin, Richter & Hampton LLP [Approving as to Form Only]

By: ____________________
Richard J. Simmons, Esq.
Jason W. Kearnaghan, Esq.
Melissa Smith, Esq.
Amanda E. Beckwith. Esq.
Attorney for Defendant

PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is ccastro@justicelawcorp.com

On February 27, 2026, I served the foregoing document described as

PAGA SETTLEMENT AGREEMENT

for the following case:	**Skye Nelson v. SusieCakes, LLC**
LWDA/Court Case No.:	**LWDA Case No.: CM-1057602-24** **Court Case No.: CGC-24-621008** **San Francisco County Superior Court**

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] **BY ELECTRONIC SUBMISSION**
Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] **STATE**
I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on February 27, 2026, at Pasadena, California.

Christina Castro