
EXHIBIT 1

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Attorneys for Defendant
THE SALVATION ARMY

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN DIEGO

SERENA CARNES, as an "aggrieved
employee" and on behalf of "aggrieved
employees" under the California Labor Code
Private Attorneys General Act,

Plaintiff,

v.

THE SALVATION ARMY, THE
SALVATION ARMY ARC SAN DIEGO;
and DOES 1 through 10, inclusive,

Defendants.

CASE NO.: 37-2021-00020557-CU-OE-CTL

*Assigned for all purposes to the
Hon. Timothy Taylor, Dept. C-72*

**LABOR CODE PRIVATE ATTORNEYS
GENERAL ACT SETTLEMENT
AGREEMENT**

Complaint Filed: May 7, 2021
Trial Date: February 16, 2024

1 This Labor Code Private Attorneys General Act (Labor Code §§ 2698, *et seq.*)
2 Settlement Agreement (“Settlement Agreement”) is made by and between SERENA CARNES
3 (“Plaintiff”), on her own behalf and as an authorized representative of the PAGA Group (as
4 defined below) and the State of California, on the one hand, and THE SALVATION ARMY
5 (“Defendant”) on the other hand (collectively the “Parties”), in connection with the lawsuit
6 entitled *Carnes v. The Salvation Army, et al.*, San Diego County Superior Court, Case No. 37-
7 2021-00020557-CU-OE-CTL. This Settlement Agreement resolves all claims under the
8 California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2698,
9 *et seq.*, based on or arising out of alleged violations of the Labor Code including all claims that
10 could have been alleged based on the factual allegations and identified Labor Code sections in
11 the operative pleading for the Litigation.

12 **I. DEFINITIONS**

13 **A. Administrative Costs.** The term “Administrative Costs” as used herein means
14 all administrative costs of settlement, including cost of notice to the PAGA Group,
15 administration, and any fees and costs incurred or charged by the Settlement Administrator in
16 connection with the execution of its duties under this Settlement Agreement.

17 **B. Agreement or Settlement Agreement.** The terms “Agreement” or “Settlement
18 Agreement” are used synonymously herein to mean this Labor Code Private Attorneys General
19 Act (Labor Code §§ 2698, *et seq.*) Settlement Agreement.

20 **C. Court.** The term “Court” as used herein means the Superior Court of the State
21 of California for the County of San Diego.

22 **D. Defendant.** The term “Defendant” as used herein means The Salvation Army.

23 **E. Defendant’s Counsel.** The term “Defendant’s Counsel” as used herein means
24 Littler Mendelson, P.C.

25 **F. Individual Settlement Payment.** The term “Individual Settlement Payment” as
26 used herein means the payment that each member of the PAGA Group will receive as his or her
27 share of the Net Settlement Amount. Each member of the PAGA Group shall be credited with
28

1 a single Pay Period and shall be paid an equal amount of the twenty-five percent (25%) of the
2 Net Settlement Amount allocated to the PAGA Group as part of this settlement.

3 **G. Litigation.** The term "Litigation" as used herein means the action entitled
4 *Carnes v. The Salvation Army, et al.*, San Diego County Superior Court, Case No. 37-2021-
5 00020557-CU-OE-CTL.

6 **H. LWDA Payment.** The term "LWDA Payment" as used herein means the
7 seventy-five percent (75%) of the Net Settlement Amount payable to the LWDA.

8 **I. Net Settlement Amount.** The term "Net Settlement Amount" as used herein
9 means the Settlement Amount minus any award of attorneys' fees and litigation costs to
10 Plaintiff's Counsel, Administrative Costs, and Plaintiff's enhancement award. Based on the
11 statutory requirement that seventy-five percent (75%) of PAGA civil penalties be paid to the
12 California Labor and Workforce Development Agency ("LWDA") and twenty-five percent
13 (25%) of PAGA civil penalties be distributed to the aggrieved employees, seventy-five percent
14 (75%) of the Net Settlement Amount will be paid to the LWDA and twenty-five percent (25%)
15 of the Net Settlement Amount will be paid to the PAGA Group based on the distribution formula
16 set forth above.

17 **J. PAGA Group.** The PAGA Group is defined as: All persons within the State of
18 California who are or were employed by Defendant in the State of California as an hourly, non-
19 exempt employee at any time within the PAGA Release Period in any of the following job
20 positions: 1) Sales Associate/Material Handler, 2) Clerk/Cashier, 3) Clerk/Sorter, 4) Sales
21 Associate/Clerk, and 5) Store Attendant. Defendant represents that, based on a reasonable
22 investigation of its records, the total number of individuals in the PAGA Group, including
23 Plaintiff, does not exceed 3,072.

24 **K. PAGA Release Period.** The term "PAGA Release Period" as used herein shall
25 refer to the time period from and including March 2, 2020 through April 27, 2023.

26 **L. Plaintiff.** The term "Plaintiff" as used herein means Serena Carnes.

27 **M. Plaintiff's Counsel.** The term "Plaintiff's Counsel" as used herein means Keller
28 Grover LLP.

1 **N. Settlement Administrator.** The term “Settlement Administrator” as used herein
2 means Simpluris, Inc., which will be responsible for the administration of the settlement
3 embodied in this Agreement and all related matters.

4 **O. Settlement Amount.** The term “Settlement Amount” as used herein means a
5 fund in the sum of One hundred and fifty-thousand dollars (\$150,000) which shall be paid by
6 Defendant. The Settlement Amount shall cover, resolve, and fully satisfy the Administrative
7 Costs and any and all amounts owed to Plaintiff, the PAGA Group, the LWDA, and Plaintiff’s
8 Counsel, including all amounts allocated to attorneys’ fees and litigation costs.

9 **II. BACKGROUND**

10 **A.** On May 7, 2021, Plaintiff filed a complaint against Defendant for penalties
11 pursuant to Labor Code § 2699(f) for alleged violations and penalties under Labor Code §§ 1198
12 and 1199 and Wage Order No. 7-2001, § 14 related to the alleged failure to provide suitable
13 seating. Following the filing of the action, and after some formal discovery and motion practice,
14 counsel for the Parties met and conferred with respect to the potential settlement of the
15 Litigation. Pursuant to these discussions, the Parties exchanged additional informal discovery
16 sufficient to engage in settlement discussions and engaged in private mediation.

17 **B.** Plaintiff and Defendant and their respective counsel have engaged in good faith,
18 arms-length negotiations. On April 27, 2023, the Parties participated in a mediation with
19 Brandon Coen, Esq. which resulted in reaching a resolution of this matter. The Parties have
20 now entered into a more detailed, formalized Settlement Agreement for submission to the Court
21 for approval.

22 **C.** Plaintiff’s counsel has conducted an investigation of the law and facts relating to
23 the claims asserted in the Litigation and has concluded, taking into account the sharply contested
24 issues involved, the expense and time necessary to pursue the Litigation through trial and any
25 appeals, the risks and costs of further prosecution of the Litigation, the risk of an adverse
26 outcome, the uncertainties of complex litigation, and the substantial benefits to be received by
27 the Plaintiff, the State of California, and the members of the PAGA Group pursuant to this
28 Agreement, that a settlement with Defendant on the terms and conditions set forth herein is fair,

1 reasonable, adequate, and in the best interests of the State of California and the PAGA Group.
2 Plaintiff, on their own behalf and as a representative pursuant to PAGA, has agreed to settle the
3 Litigation with Defendant on the terms set forth herein.

4 D. Defendant has concluded that, because of the substantial expense of defending
5 against the Litigation, the length of time necessary to resolve the issues presented herein, the
6 inconvenience involved, and the concomitant disruption to its business operations, it is in its
7 best interests to accept the terms of this Agreement. Defendant denies each of the allegations
8 and claims asserted against it in the Litigation. However, Defendant nevertheless desires to
9 settle the Litigation for the purpose of avoiding the burden, expense and uncertainty of
10 continuing litigation and for the purpose of putting to rest the controversies engendered by the
11 Litigation.

12 E. This Agreement is intended to and does effectuate the full, final and complete
13 resolution of all allegations and claims under the California Labor Code Private Attorneys
14 General Act of 2004 ("PAGA"), Labor Code §§ 2698, et seq., based on or arising out of alleged
15 violations of the Labor Code including all claims that could have been alleged based on the
16 factual allegations and identified Labor Code sections in the operative pleading for the
17 Litigation.

18 **III. JURISDICTION**

19 The Court has jurisdiction over the Parties and the subject matter of this Litigation. The
20 Litigation includes claims that, while Defendant denies them in their entirety, would, if proven,
21 authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted
22 approval of this Agreement, pursuant to California Code of Civil Procedure § 664.6 the Court
23 shall retain jurisdiction of this action solely for the purpose of interpreting, implementing, and
24 enforcing this Agreement consistent with the terms set forth herein, and the Parties and their
25 counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing and
26 enforcing this Agreement and all orders and judgments entered in connection therewith.

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1 **IV. STATEMENT OF NO ADMISSION**

2 **A.** Defendant denies liability to Plaintiff and to the PAGA Group upon any claim or
3 cause of action. This Agreement does not constitute, and is not intended to constitute, an
4 admission by Defendant as to the merits, validity, or accuracy of any of the allegations or claims
5 made against it in the Litigation.

6 **B.** Nothing in this Agreement, nor any action taken in implementation thereof, nor
7 any statements, discussions or communications, nor any materials prepared, exchanged, issued
8 or used during the course of the negotiations leading to this Agreement is intended by the Parties
9 to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible
10 in any way in this case or any other judicial, arbitral, administrative, investigative or other forum
11 or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance,
12 regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties
13 themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this
14 case or any other judicial, arbitral, administrative, investigative or other forum or proceeding,
15 as purported evidence of any violation of any federal, state, or local law, statute, ordinance,
16 regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other
17 purpose. Notwithstanding the foregoing, this Agreement may be used in any proceeding before
18 the Court that has as its purpose the interpretation, implementation, or enforcement of this
19 Agreement or any orders or judgments of the Court entered in connection with the settlement.

20 **C.** None of the documents produced or created by Plaintiff or her counsel in
21 connection with the approval of this settlement or administration of this settlement constitute,
22 and they are not intended to constitute, an admission by Defendant of any violation of any
23 federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any
24 obligation or duty at law or in equity.

25 **D.** Nothing in this Agreement will be construed as an admission or
26 acknowledgement of any kind that any group should or would be given collective treatment in
27 the Litigation or in any other action or proceeding. Further, neither this Agreement nor the
28 Court's actions with regard to this Agreement will be admissible in any court or other tribunal

1 regarding the propriety of collective treatment. In the event that this Agreement is not approved
2 by the Court or any appellate court, is terminated, or otherwise fails to be enforceable, Plaintiff
3 will not be deemed to have waived, limited or affected in any way any claims, rights or remedies
4 in the Litigation, and Defendant will not be deemed to have waived, limited, or affected in any
5 way any of their objections or defenses in the Litigation.

6 **V. RELEASE, DISMISSAL, AND CONFIDENTIALITY**

7 **A. Scope of Release.**

8 Upon approval of this settlement by the Court, Plaintiff, individually and as a
9 representative acting as a proxy or agent of the LWDA, a State of California Executive Branch
10 Agency, in this Litigation, agrees to release each named Defendant and each named Defendant's
11 partners, parents, subsidiaries, affiliates, attorneys, and all agents thereof (collectively, the
12 "Released Parties"), of and from any and all claims under the California Labor Code Private
13 Attorneys General Act of 2004 ("PAGA"), Labor Code §§ 2698, *et seq.*, that were or could have
14 been alleged based on the factual allegations and identified Labor Code sections in the operative
15 pleading for the Litigation, including, but not limited to, California Labor Code sections §§ 1198
16 and 1199 and IWC Wage Order No. 7-2001, § 14, during the time period from and including
17 March 2, 2020 through April 27, 2023, inclusive (the "Released Claims"). Plaintiff further
18 agrees to release any and all claims for costs, fees, and interest related to the Released Claims.
19 The Parties further agree that this Agreement and judgment to be entered by the Court following
20 approval of this settlement forever bars Plaintiff and the LWDA, directly or through any other
21 proxy or agent, from any future prosecution of any of the Released Claims against any of the
22 Released Parties.

23 **VI. SETTLEMENT ADMINISTRATOR**

24 Plaintiff and Defendant, through their respective counsel, have selected Simpluris, Inc.
25 as the Settlement Administrator to administer the settlement, which includes but is not limited
26 to distributing and responding to inquiries about the Notice of Settlement and calculating all
27 amounts to be paid from the Settlement Amount, including the Individual Settlement Payments.
28 The Administrative Costs are estimated to be no more than twelve-thousand dollars (\$12,000),

1 will be paid from the Settlement Amount. Any charges and expenses of the Settlement
2 Administrator greater than the allocated twelve-thousand dollars (\$12,000) will come from the
3 Settlement Amount. If the actual Administrative Costs are less than the Parties' estimation, the
4 difference between the actual and estimated Administrative Costs will be included in the Net
5 Settlement Amount.

6 **VII. NOTICE**

7 Plaintiff and Defendant, through their respective attorneys, have jointly prepared a Notice
8 of Settlement (the "Notice"), in the form attached hereto as **Exhibit "A"** which in substance will
9 be provided to the members of the PAGA Group as follows:

10 As soon as practicable following approval of the settlement, but no later than 30 calendar
11 days after the Court's approves the settlement, Defendant will provide to the Settlement
12 Administrator the following information about each PAGA Group member: (1) name; (2) last
13 known home address; and (3) social security number (collectively referred to as the "PAGA
14 List").

15 The Settlement Administrator shall run all the addresses provided through the United
16 States Postal Service NCOA database (which provides updated addresses for any individual who
17 has moved in the previous four years who has notified the U.S. Postal Service of a forwarding
18 address) to obtain current address information. Within 30 calendar days after the Settlement
19 Administrator's receipt of the PAGA List, the Settlement Administrator will mail the Notice
20 together with the Individual Settlement Payments to all PAGA Group members by first-class
21 United States mail, postage prepaid, with directions to the Postmaster to forward the Notice and
22 return all undeliverable Notices to the Settlement Administrator. For each Notice and Individual
23 Settlement Payment that is returned as undeliverable, the Settlement Administrator shall
24 promptly attempt to locate the PAGA Group member by performing an additional skip trace and
25 shall re-mail the Notice and Individual Settlement Payment no later than 10 calendar days
26 following receipt of the undeliverable Notice. The Notice will be provided in English.

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1 **VIII. COMPUTATION AND DISTRIBUTION OF PAYMENTS**

2 **A. Distribution Formula.**

3 Each member of the PAGA Group shall be credited with a single qualified Pay Period
4 and shall be paid an equal amount of the twenty-five percent (25%) of the Net Settlement
5 Amount allocated to the PAGA Group as part of this settlement.

6 If a PAGA Group member is deceased at the time of distribution, the Settlement
7 Administrator shall distribute the deceased PAGA Group member's Individual Settlement
8 Payment to the deceased PAGA Group member's legal heir(s). In the event of a dispute as to the
9 legal heir(s), the Settlement Administrator shall notify the executor of the deceased PAGA Group
10 member's estate and attempt to place the deceased PAGA Group member's payment in escrow
11 or similar disposition such that any competing heirs may take whatever action they wish to
12 resolve ultimate disposition of such money and the Settlement Administrator and the Parties
13 hereto may disclaim any further interest in or obligation in relation to such money.

14 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
15 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip
16 trace search and, if another address is identified, shall mail the check to the newly identified
17 address. If the Settlement Administrator is unable to obtain a valid mailing address through this
18 process, after the check void date, the monies represented by the check shall be turned over
19 according to the LWDA.

20 Any settlement checks that remain uncashed 180 or more calendar days after issuance
21 by the Settlement Administrator shall be voided and the Settlement Administrator will remit the
22 entire amount of each PAGA Group member's uncashed Individual Settlement Payment to the
23 LWDA.

24 **B. Funding of the Settlement Amount.**

25 The funding of the entire Settlement Amount by Defendant will be completed at one
26 time with funds provided to and escrowed by the Settlement Administrator. The Settlement
27 Amount shall be paid to the Settlement Administrator by Defendant within 30 calendar days of
28 its receipt of a notice of entry of the Court's approval order.

1 **C. Time for Distribution of the Enhancements to Plaintiff, Attorneys' Fees and**
2 **Litigation Costs to Plaintiff's Counsel, the LWDA Payment and**
3 **Administrative Costs.**

4 The Settlement Administrator shall cause the Court approved enhancement to Plaintiff,
5 attorneys' fees and litigation costs awarded to Plaintiff's Counsel, and the LWDA Payment to
6 be paid within 30 days of the funding of the Settlement Amount. The Settlement Administrator
7 may pay itself the Court-approved administrative costs once the Individual Settlement Payments
8 have been mailed out.

9 **IX. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN**

10 The amounts paid under this Agreement do not represent a modification of any
11 previously credited hours of service under any employee benefit plan, policy or bonus program
12 sponsored by Defendant. Such amounts will not form the basis for additional contributions to,
13 benefits under, or any other monetary entitlement under, benefit plans (self-insured or not)
14 sponsored by Defendant, policies or bonus programs. Any payments made under the terms of
15 this Agreement shall not be applied retroactively, currently or on a going forward basis as salary,
16 earnings, wages, or any other form of compensation for the purposes of Defendant's benefit
17 plan, policy or bonus program. Defendant retains the right to modify the language of its benefit
18 plans, policies and bonus programs to effect this intent and to make clear that any amounts paid
19 pursuant to this Agreement are not for "hours worked," "hours paid," "hours of service," or any
20 similar measuring term as defined by applicable plans, policies and bonus programs for purpose
21 of eligibility, vesting, benefit accrual or any other purpose, and that additional contributions or
22 benefits are not required by this Agreement.

23 **X. PLAINTIFF'S COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS**

24 Defendant shall not oppose an application by Plaintiff's Counsel for, and Plaintiff's
25 Counsel shall not seek or receive an amount in excess of fifty-thousand dollars (\$50,000), which
26 represents 33 1/3% of the Settlement Amount, for all past and future attorneys' fees necessary
27 to prosecute, settle and administer the Litigation and this Agreement. Additionally, Defendant
28 shall not oppose an application by Plaintiff's Counsel for reimbursement of all past and future

1 litigation costs and expenses necessary to prosecute, settle and administer the Litigation and this
2 Agreement, which Plaintiff's Counsel estimates shall not exceed five-thousand dollars (\$5,000).
3 Any attorneys' fees or litigation costs awarded to Plaintiff's Counsel by the Court shall be
4 deducted from the Settlement Amount for the purpose of determining the Net Settlement
5 Amount. This amount shall include all attorneys' fees, litigation costs and expenses for which
6 Plaintiff and Plaintiff's Counsel could claim under any legal theory whatsoever. Should the
7 Court approve a lesser percentage or amount of fees and/or litigation costs than the amount that
8 Plaintiff's Counsel ultimately seeks, then the unapproved portion or portions shall revert to the
9 Net Settlement Amount.

10 **XI. ENHANCEMENT TO PLAINTIFF**

11 Defendant shall not oppose an application by Plaintiff, and Plaintiff shall not seek or
12 receive an amount in excess of five-thousand dollars (\$5,000) for her participation in and
13 assistance with the Litigation. Any enhancement awarded to Plaintiff by the Court shall be
14 deducted from the Settlement Amount for the purpose of determining the Net Settlement
15 Amount, and shall be reported on IRS Form 1099-misc. If the Court approves an enhancement
16 of less than five-thousand dollars (\$5,000) to Plaintiff, then the unapproved portion shall revert
17 into the Net Settlement Amount.

18 **XII. TAXATION AND ALLOCATION**

19 For withholding tax characterization purposes and payment of taxes, the Net Settlement
20 Amount shall be deemed and is allocated by the Parties as follows ("Net Settlement
21 Allocation"): 100% as penalties.

22 **XIII. COURT APPROVAL**

23 This Agreement is contingent upon approval by the Court. Plaintiff and Defendant agree
24 to take all steps as may be reasonably necessary to secure approval of this Agreement, to the
25 extent not inconsistent with the terms of this Agreement, and will not take any action adverse to
26 each other in obtaining Court approval of this Agreement in all respects.

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1 **XIV. APPRAISAL AND CERTIFICATION BY THE SETTLEMENT**
2 **ADMINISTRATOR.**

3 The Settlement Administrator shall keep Plaintiff's Counsel and Defendant's Counsel
4 apprised of all distributions from the Settlement Amount. Upon completion of administration
5 of the Settlement, the Settlement Administrator shall provide written certification of such
6 completion to Plaintiff's Counsel and Defendant's Counsel. The Settlement Administrator shall
7 also provide a final accounting, including the names of payees and the amounts of the Individual
8 Settlement Payments.

9 **XV. MISCELLANEOUS PROVISIONS**

10 **A. Stay of Litigation.**

11 Plaintiff and Defendant agree to the stay of all discovery in the Litigation, pending
12 approval of this Agreement by the Court.

13 **B. Interpretation of the Agreement.**

14 This Agreement constitutes the entire agreement between Plaintiff and Defendant.
15 Except as expressly provided herein, this Agreement has not been executed in reliance upon any
16 other written or oral representations or terms, and no such extrinsic oral or written
17 representations or terms shall modify, vary or contradict its terms. In entering into this
18 Agreement, the Parties agree that this Agreement is to be construed according to its terms and
19 may not be varied or contradicted by extrinsic evidence. This Agreement will be interpreted
20 and enforced under the laws of the State of California, both in its procedural and substantive
21 aspects, without regard to its conflict of law's provisions. Any claim arising out of or relating
22 to this Agreement, or the subject matter hereof, will be resolved solely and exclusively in the
23 Superior Court of the State of California for the County of San Diego, and Plaintiff and
24 Defendant hereby consent to the personal jurisdiction of the Court over them solely in
25 connection therewith. Plaintiff, on her own behalf and on behalf of the PAGA Group and the
26 State of California, and Defendant participated in the negotiation and drafting of this Agreement
27 and had available to them the advice and assistance of independent counsel. As such, neither
28 Plaintiff nor Defendant may claim that any ambiguity in this Agreement should be construed

1 against the other.

2 The terms and conditions of this Agreement constitute the exclusive and final
3 understanding and expression of all agreements between Plaintiff and Defendant with respect to
4 the resolution of the Litigation. This Agreement may be modified only by a writing signed by
5 counsel for all Parties or their successors-in-interest.

6 **C. Further Cooperation.**

7 Plaintiff and Defendant and their respective attorneys shall proceed diligently to prepare
8 and execute all documents, to seek approval of this Agreement from the Court, and to do all
9 things reasonably necessary or convenient to consummate this Agreement as expeditiously as
10 possible.

11 **D. Counterparts.**

12 This Agreement may be executed in one or more actual or non-original counterparts, all
13 of which will be considered one and the same instrument and all of which will be considered
14 duplicate originals.

15 **E. Authority.**

16 Each individual signing below warrants that he or she has the authority to execute this
17 Agreement on behalf of the party for whom or which that individual signs.

18 **F. No Third-Party Beneficiaries.**

19 Plaintiff, members of the PAGA Group, the State of California, Defendant and Released
20 Parties are direct beneficiaries of this Agreement. The Parties are not aware of any third-party
21 beneficiaries.

22 **G. Deadlines Falling on Weekends or Holidays.**

23 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday,
24 or legal holiday, that deadline shall be continued until the following business day.

25 **H. Severability.**

26 In the event that any one or more of the provisions contained in this Agreement shall for
27 any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
28 unenforceability shall in no way effect any other provision if Defense Counsel and Plaintiff's

Counsel, on behalf of the Parties and the PAGA Group, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

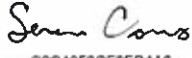
I. Defendant's Fees and Costs

All of Defendant's own legal fees, costs and expenses incurred in this Litigation shall be borne by Defendant.

APPROVED AS TO CONTENT:

6/21/2023

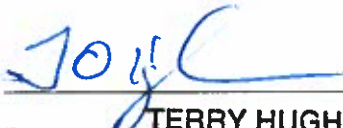
DATED: June __, 2023

DocuSigned by:

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Serena Carnes

DATED: June 22, 2023

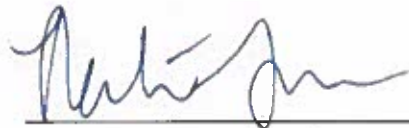
THE SALVATION ARMY


By: **TERRY HUGHES**
SECRETARY

APPROVED AS TO FORM:

DATED: June 21, 2023

KELLER GROVER LLP

By: 
Eric A. Grover
Robert W. Spencer
Attorney for Plaintiff

DATE: June 22, 2023

LITTLER MENDELSON, P.C.

By: 
Joshua Z. Feldman
Attorneys for Defendants

EXHIBIT A

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

SERENA CARNES, as an “aggrieved employee” and on behalf of “aggrieved employees” under the California Labor Code Private Attorneys General Act,

Plaintiff,

v.

THE SALVATION ARMY, THE
SALVATION ARMY ARC SAN DIEGO;
and DOES 1 through 10, inclusive,

Defendants.

Case No. 37-2021-00020557-CU-OE-CTL

**NOTICE OF SETTLEMENT OF PRIVATE
ATTORNEYS GENERAL ACT CLAIMS
(CAL. LABOR CODE §§ 2698, *ET SEQ.*)**

You have been identified as an hourly, non-exempt employee who worked for a The Salvation Army (“Salvation Army” or “Defendant”) Thrift Store in California between March 2, 2020 and April 27, 2023, inclusive (“PAGA Group”).

On May 7, 2021, Serena Carnes (“Plaintiff”) filed a complaint in San Diego County Superior Court (the “Court”) to recover civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004, codified at Labor Code §§ 2698, *et seq.* (“PAGA”). The lawsuit alleges that Covered Employees were not provided suitable seating

Salvation Army denies all of Plaintiff’s allegations and disputes all of Plaintiff’s claims.

Plaintiff and Defendant reached a settlement of the claims for PAGA civil penalties alleged in the lawsuit. By law, 75% of the civil penalties are paid to the State of California and the remaining 25% are paid to the PAGA Group. Pursuant to the settlement agreement, each member of the PAGA Group shall be paid an equal amount of the twenty-five percent (25%) of the Net Settlement Amount allocated to the PAGA Group as part of this settlement. Your Individual Settlement Payment is provided with this notice.

The Court-approved settlement contains the following release of claims, which is meant to bar any future litigation by Plaintiffs and the California Labor & Workforce Development Agency (“LWDA”), either directly or through any other proxy or agent:

Upon approval of this settlement by the Court, Plaintiff, individually and as a representative acting as a proxy or agent of the LWDA, a State of California Executive Branch Agency, in this Litigation, agrees to release each named Defendant and each named Defendant’s partners, parents, subsidiaries, affiliates, attorneys, and all agents thereof (collectively, the “Released Parties”), of and from

any and all claims under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code §§ 2698, *et seq.*, that were or could have been alleged based on the factual allegations and identified Labor Code sections in the operative pleading for the Litigation, including, but not limited to, California Labor Code sections §§ 1198 and 1199 and IWC Wage Order No. 7-2001, § 14, during the time period from and including March 2, 2020 through April 27, 2023, inclusive (the "Released Claims"). Plaintiff further agree to release any and all claims for costs, fees, and interest related to the Released Claims. The Parties further agree that this Agreement and judgment to be entered by the Court following approval of this settlement forever bars Plaintiff and the LWDA, directly or through any other proxy or agent, from any future prosecution of any of the Released Claims against any of the Released Parties.

This release of claims does not cover any other claims you may have against Defendant.

If you have any questions or would like a copy of the settlement agreement approved by the Court, please contact the Settlement Administrator at _____.

