

MEMORANDUM OF UNDERSTANDING

1. This Memorandum of Understanding ("MOU") is entered into jointly by and between Plaintiff Alexa Lowe on behalf of herself and all others similarly situated and as proxy for the State of California ("Plaintiff"), on the one hand, and SCZZ Collective, NYRN Management, Ash's First LLC, Area 29 LLC, and Norman Yousif ("Defendants"), on the other hand (collectively the "Parties").
2. Class Counsel: Jean-Claude Lapuyade of JCL Law Firm, APC, and Shani O. Zakay of Zakay Law Group, APLC.
3. Plaintiff: Alexa Lowe.
4. Defendants: Ash's First LLC, NYRN Management LLC, SCZZ Collective, Inc. dba Upnorth, Area 29 LLC dba Off The Charts, and Norman Yousif.
5. The Lawsuit. Subject to final approval by the Court, which counsel and the Parties agree to recommend in good faith to the Court, and with the understanding that this MOU will be further memorialized in a formal written settlement agreement, the Parties hereby agree to the following binding settlement of the action entitled *Alexa Lowe, individually and on behalf of others individuals similarly situated, Plaintiff, v. ASH'S FIRST LLC, California Limited Liability Company; NYRN MANAGEMENT LLC, a California Limited Liability Company; SCZZ COLLECTIVE, INC. dba UPNORTH, a California Corporation; AREA 29 LLC dba Off The Charts, a California Limited Liability Company, NORMAN YOUSIF, an individual, and DOES 1 through 50, inclusive, Defendants*, originally filed on March 16, 2022 in San Diego County Superior Court, Case No. 37-2022-00010114 ("the Lawsuit").

6. No Admission of Liability. Defendants deny any and all wrongdoing. By entering into this Settlement, Defendants do not admit any violation of law whatsoever. Nothing in this MOU, including its existence, shall be construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants.
7. Class Certification. For purposes of this Settlement only, the Parties will stipulate that the class may be certified as described in this MOU. The Parties agree that certification for settlement purposes under the lenient standard applied to settlements is in no way an admission that class certification is proper under the more stringent standard applied for litigation purposes. Evidence of this limited stipulation for settlement purposes only will not be deemed admissible in the Lawsuit or any other proceeding, except to enforce the terms of the Settlement. It is Defendants' position that if the Parties were to litigate the Lawsuit, class certification would be inappropriate because individual issues predominate, among other reasons.
8. Class Definition: All individuals who are or previously were employed by Defendant Ash's First and/or Defendant NYRN and/or Defendant SCZZ and/or Defendant Area 29 in California and classified as non-exempt employees at any time during the Class Period. The Class Period is defined as the period from March 16, 2018 through January 1, 2025 or the date upon which the Court grants preliminary approval, whichever is sooner.
9. Aggrieved Employee Definition: All individuals who are or previously were employed by Defendant Ash's First and/or Defendant NYRN and/or Defendant SCZZ and/or Defendant Area 29 in California and classified as non-exempt employees at any time during the PAGA Period. The PAGA Period is defined as the period from January 7, 2021 through January 1, 2025 or the date upon which the Court grants preliminary approval, whichever is sooner.

10. Binding and Enforceable Agreement: The Parties intend that this MOU shall be fully enforceable and binding upon all Parties, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to California Code of Civil Procedure section 664.6, notwithstanding the mediation confidentiality provisions that otherwise might apply under federal or state law. Each of the signatories below warrants that he or she has full authority to execute this MOU on behalf of their respective clients and to bind the Parties hereto to all of the terms and conditions of this MOU. Each of the Parties and their respective counsel will fully cooperate with each other in effectuating the terms of the Settlement. None of the Parties or their counsel will solicit or encourage any Settlement Class Member to opt out of or object to the Settlement.
11. Gross Settlement Amount: Defendants shall pay out the total sum of \$690,000 for resolution of this action and payment of all claims, including payments to all Class Members, payment of Settlement Administration Costs; Class Counsel Award; Service Award, and the PAGA Payment. The Gross Settlement Amount shall be all-in with no reversion to Defendant. Defendant is responsible for the employer's share of payroll taxes which shall be paid separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount shall be funded pursuant to the following schedule:
- a. The payment of the gross settlement amount would involve a deferred payment schedule because of the Defendants' financial limitations. The first payment of \$25,000.00 would be made within 30 days of the execution of this MOU. It would be paid into a jointly administered escrow account and held until the court orders otherwise. Thereafter the defendants would make monthly payments into the above escrow account of \$10,000.00 per month for eleven months. Defendant would

make a further payment of \$200,000.00 into the settlement escrow within 30 days of the Order of Final Approval or twelve months after execution of this MOU, whichever is later. Defendants would thereafter make three quarterly payments of \$50,000.00 and then a final quarterly payment of the entire balance due (\$205,000.00). Interest would be payable on all amounts unpaid after 25 months from the date of execution of this MOU.

12. Tax Treatment of Settlement Payments: The Parties recognize that a portion of the settlement amounts to be paid to the settlement class members under this MOU are wages for the relief sought in the Lawsuit. The Parties agree that fifteen percent (15%) of the settlement amounts paid to the Class Members will be treated as payments in settlement of wage claims, subject to W-2 reporting. Applicable tax deductions and payroll withholdings will be taken from this portion of the payments. The remaining eighty-five percent (85%) of the settlement payments to the Class Members will be treated as payments in settlement of claims for penalties and interest sought in the Lawsuit. The Parties agree that one hundred percent (100%) of the settlement payments to Aggrieved Employees, will be treated as payments in settlement of claims for penalties sought in the Lawsuit. The portions of the payments made as claims for penalties and interest will be reported to the taxing authorities by means of an IRS Form 1099. Except for the employer share of payroll taxes on wages, Plaintiff and the Settlement Class Members will be responsible for paying any taxes that may be owed on amounts they receive under the Settlement, including the amounts being reported on the IRS Form 1099. The settlement administrator will be responsible for making all settlement payments due under the Settlement and submitting all required W-2 and 1099 reports with respect to the settlement payments.

13. Settlement Allocation: The allocation of payment of claims among the Settlement Class Members shall be paid based on the number of workweeks worked during the Class Period without the need to submit a claim form. "Workweeks" shall mean any seven (7) consecutive days beginning on Sunday and ending on Saturday, in which a Class Member was employed by Defendants during the Class Period in California. The Workweeks will be calculated by the Settlement Administrator based on the Class Data and will be presumed to be correct unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all Workweek disputes will be final.
14. Service Award: Defendants shall not oppose a service award to Plaintiff in the amount of \$10,000.00. The Parties agree that the Plaintiff will execute a full general release of all known and unknown claims she may have against Defendants and the other Released Parties, including a waiver under Civil Code Section 1542, the terms of which will be set forth in the full settlement agreement to be prepared and executed later.
15. PAGA Payment: The PAGA payment of \$30,000.00 shall be made from the Gross Settlement Amount, with 25% of the payment going to the Aggrieved Employees and 75% of the payment going to the LWDA.
16. Settlement Administration Costs: Settlement Administrator shall be mutually agreed to by the Parties. Settlement Administration Costs shall not exceed the estimate of the Settlement Administrator to administrate the settlement. The Settlement Administration Costs shall include certified Spanish translation of the class notice.

17. Workweek Information and Escalation Clause: It is estimated that there are 572 Settlement Class Members who worked approximately 24,000 workweeks during the Class Period. No later than ten (10) days before Preliminary Approval, Defendant will provide the Settlement Administrator with the Class Data in order to administer the Settlement. "Class Data" means information regarding Class Members that Defendant will in good faith compile from its records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include to the extent practicable: each Class Member's full name; last known address; Social Security Number; start dates and end dates of employment; and information necessary to accurately calculate the number of Workweeks and Pay Period worked by each Class Member and Aggrieved Employee during the Class and PAGA Periods. If the actual number of Workweeks worked during the Class Period exceeds the above number by more than 10%, there will be a proportional increase of the settlement amount, as to the work weeks which exceed 10% above the current work week numbers. However, Defendants may, in their sole discretion, adjust the length of the Class and PAGA Periods by moving the end date to the date on which the total work weeks amounted to 24,000 so as to avoid triggering the Escalation Clause.
18. Class Counsel Award: Defendants agree not to oppose an attorneys' fees request up to one-third of the Gross Settlement Amount or Class Counsel's request for attorneys' expenses of up to \$40,000.00.
19. Released Class Claims: Upon entry of final judgment and funding of the Gross Settlement Amount, Defendants and any of their former and present parents, subsidiaries, divisions, corporate members, and affiliated companies, and their respective officers, directors, employees, partners, shareholders, agents, successors, assigns, and legal representatives

("Released Parties"), shall be entitled to a release from the Class Members of all class claims alleged, or reasonably could have been alleged based on the facts alleged, in the operative complaint in the Action which occurred during the Class Period, 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 11000 *et seq.*, or otherwise – that arise out of or are reasonably related to the factual allegations that were alleged or could have reasonably been alleged in Plaintiff's Complaint herein, including but not limited to: (i) any and all claims for failure to pay minimum or regular wages for all hours worked; (ii) failure to pay overtime wages and the correct rates paid for same; (iii) any and all claims for failure to provide meal periods and/or pay meal premiums in lieu thereof at the correct regular rate of pay; (iv) any and all claims for failure to authorize and permit rest breaks and/or pay rest break premiums in lieu thereof at the correct regular rate of pay; (v) any and all direct and derivative claims for failure to furnish accurate itemized wage statements in accordance with Labor Code section 226, and including any associated claims for penalties under Labor Code section 226(e); (vi) any and all claims for failure to reimburse business expenses; (vii) any and all direct and derivative claims for wages owed at separation of employment under Labor Code § 203; (ix) any and all claims based on the failure to provide suitable seating; (x) any and all direct and derivative claims for failure to timely pay wages during employment; (xi) any and all claims for unlawful deductions to wages; and (xii) any and all claims for liquidated

damages, penalties (except for PAGA penalties which are separately released below), interest, attorneys' fees and costs.

20. Released PAGA Claims: Upon entry of final judgment and funding of the Gross Settlement Amount, the Defendants and any of their former and present parents, subsidiaries, divisions, corporate members, and affiliated companies, and their respective officers, directors, employees, partners, shareholders, agents, successors, assigns, and legal representatives, shall be entitled to a release from the Plaintiff as agent and proxy of the State of California (including the LWDA) and the State of California (including the LWDA and all individuals who seek to serve as agent and proxy of the State of California in bringing PAGA claims) from any and all claims, rights, demands, liabilities, and causes of action arising out of the California Private Attorneys General Act of 2004, Labor Code §§2698 *et seq.*, based on any of the underlying claims and factual allegations described in Paragraph 19 above, in the operative complaint in the Action and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period.
21. Drafting Settlement Documents: Class Counsel shall draft settlement documents for distribution within forty-five (45) days of the execution of this Memorandum. Class Counsel shall draft and file a motion for preliminary approval within seventy-five (75) days. Defendants will cooperate with Plaintiff in providing information to the Court necessary to obtain Court approval of the settlement.
22. Opt Out / Objection Period: The Class Members shall have forty-five (45) days from the date the notice is first mailed in which to object to or exclude themselves from the settlement.

23. Payments: Defendants will pay to the Settlement Administrator the Gross Settlement Amount, including payment for all claims, payment of Settlement Administration Costs, Class Counsel Award, Service Award, and PAGA Payment as according to the schedule set forth in Paragraph 11 above.
24. Workweek Calculation: Settlement Administrator will calculate the number of Workweeks (as defined above) worked by Class Members during the Class Period and the amount to be paid to Class Members per workweek based on information to be provided by Defendants. The Workweeks will be calculated based on Defendants workweek data and will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all Workweek disputes will be final and non-appealable.
25. Uncashed Checks: All checks mailed to the Class Members that are not cashed within 180 days of payment shall be submitted to the State Controller, as agreed by the Parties as part of the long-form settlement agreement and/or as required by the specific judge handling the pending matter.
26. Disputes: Any dispute between the parties as to the remaining terms of the settlement agreement shall be presented to the mediator for resolution.
27. Fair, Adequate, and Reasonable Settlement. The Parties agree that the Settlement is fair, adequate, and reasonable and will so represent it to the Court.
28. Waiver of Appeals. The Parties waive all appeals from the Court's final approval of this Settlement, unless the Court materially modifies the Settlement; provided, however, that Class Counsel may appeal any reduction in the attorneys' fee award. Any reduction in the

amount of attorneys' fees or costs, or the service payment to the class representative, will not constitute a material modification of the Settlement and will not be grounds to void the Settlement.

29. No Credit Toward Benefit Plans. Neither the terms of this Settlement nor any of the amounts paid to Plaintiff, the participating Class Members or the aggrieved employees under the Settlement shall have any effect on the eligibility or calculation of any employee fringe benefits under Defendants' profit-sharing plans, pension plans, 401(k) plans, bonus plans, or any other company-sponsored plans or benefits.
30. Communications. The Parties and their counsel agree that they will not issue any press releases or initiate any contact with the media about this case and/or the fact, amount, or terms of the Settlement. If counsel for either party receives an inquiry about the Settlement from the media, counsel may respond only after the motion for preliminary approval has been filed and only by stating "no comment" or words to that effect. Class Counsel shall be permitted to discuss the terms of the Settlement with any Settlement Class Members who inquire about the terms.
31. Execution in Counterparts: This Agreement may be executed in one or more counterparts by facsimile, electronic signature, 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. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
32. Court Filings: The parties agree not to object to any Court filings consistent with this Agreement.

33. Continuing Jurisdiction: The Parties agree that the San Diego County Superior Court shall retain continuing jurisdiction over this case under CCP Section 664.6 to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this action to trial under CCP Section 583.310 shall be extended from the date of the signing of this agreement by all parties until the entry of the final approval order and judgment or if not entered the date this agreement shall no longer be of any force or effect.

34. Stipulated Judgment: The Court would reserve jurisdiction over the settlement until final payment is made. As security for the payment of the GSA the individual defendant, Defendants would agree to the entire of a stipulated judgment for any balance due, in addition to any other legal recourse available and necessary to the represented claimants.

Accepted and agreed to this 7th day of October, 2024.

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IT IS SO AGREED TO AS TO FORM AND CONTENT BY PLAINTIFF:

Dated: 10/05/2024

Alexa T Lowe
Alexa T Lowe (Oct 5, 2024 19:03 PDT)
Plaintiff Alexa Lowe

Dated: October 7, 2024



Shani O. Zakay, Esq.
Zakay Law Group, APLC
Attorney for Plaintiff

Dated: October 7, 2024



Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
Attorney for Plaintiff

Alexa Lowe v. Ash’s First LLC et al.
San Diego County Superior Court Case No. 37-2022-00010114

IT IS SO AGREED TO AS TO FORM AND CONTENT BY DEFENDANT:

Dated: October 4, 2024 | 2:50 PM PDT

DocuSigned by:
Norman Yousif
B9309D0A3DF5465...

Defendant Ash’s First LLC

NORMAN YOUSIF

Printed Name

owner/CEO

Dated: October 4, 2024 | 2:50 PM PDT

Title
DocuSigned by:
Norman Yousif
B9309D0A3DF5465...

Defendant NYRN Management LLC

NORMAN YOUSIF

Printed Name

owner/CEO

Dated: October 4, 2024 | 2:50 PM PDT

Title
DocuSigned by:
Norman Yousif
B9309D0A3DF5465...

Defendant SCZZ Collective, Inc. dba Upnorth

NORMAN YOUSIF

Printed Name

owner/CEO

Dated: October 4, 2024 | 2:50 PM PDT

Title
DocuSigned by:
Norman Yousif
B9309D0A3DF5465...

Defendant Area 29 LLC dba Off The Charts

NORMAN YOUSIF

Printed Name

owner/CEO

Dated: October 4, 2024 | 2:50 PM PDT

Title
DocuSigned by:
Norman Yousif
B9309D0A3DF5465...

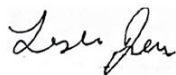
Defendant Norman Yousif

NORMAN YOUSIF

Printed Name

Alexa Lowe v. Ash's First LLC et al.
San Diego County Superior Court Case No. 37-2022-00010114

Dated: October 4, 2024



Dina Glucksman, Esq.
Emilie Maclean, Esq.
Leslie Joyner, Esq.

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