

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement is made by and between Plaintiff Julio Castellanos ("Plaintiff"), on behalf of himself and on behalf of the State of California and all Private Attorneys General Act ("PAGA") Settlement Group Members, on the one hand, and Defendant SIERRA FOODS, INC. dba USA GASOLINE ("Defendant"), on the other (Plaintiff and Defendant are collectively referred herein as, the "Parties", and individually as a "Party"), subject to the approval of the Court in accordance with California Labor Code section 2699(1)(2), upon and subject to the following terms and conditions.

I. DEFINITIONS

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

- A. "Action" means the civil action titled *Julio Castellanos v. Sierra Foods Inc. dba USA Gasoline* (the "Action"), filed by Plaintiff on March 23, 2020, and pending before Los Angeles County Superior Court, Case No. 20STCV11462.
- B. "Agreement" or "Settlement Agreement" means this PAGA Settlement Agreement.
- C. "Complaint" means the Complaint filed by Plaintiff on March 23, 2020, in the Superior Court for the State of California, County of Los Angeles, in the Action, and all amendments thereto.
- D. "Court" means the Superior Court for the State of California, County of Los Angeles
- E. "Covered Period" means the period of time from January 17, 2019, through February 28, 2021.
- F. "Defendant" means the Defendant in this Action, SIERRA FOODS, INC. dba USA GASOLINE.
- G. "Effective Date" means the date upon entry of an Order by the Court approving this Settlement Agreement.
- H. "Defendant's Counsel" means José-Manuel A. de Castro, Esq., David G. Larmore, Esq. and Lori V. Minassian, Esq. of De Castro Law Group, P.C.
- I. "Judgment" means the Order Granting Approval of Settlement and Entering Final Judgment entered by the Court in substantially the same form evidenced by Exhibit A to this Agreement and incorporated by reference into this Agreement.
- J. "LWDA" means the California Labor and Workforce Development Agency.
- K. "LWDA Payment" means the portion of the payment from the Total Settlement Amount (defined below) to be paid to the LWDA under the Settlement Agreement.

- L. "Net Settlement Amount" means the amount from the Total Settlement Amount that is available for distribution as Settlement Shares to PAGA Settlement Group Members and as the LWDA Payment after deduction for: (i) the Representative Plaintiff's Payment (if any), (ii) the Plaintiff's Counsel Fees and Expenses Payment, and (iii) the Settlement Administrator's fees and expenses. If any Settlement Share check is not timely cashed by a Settlement Group Member, that share will be sent to the California State Controllers' Office Unclaimed Property Fund in the name of the Settlement Group Member.
- M. "PAGA" means the Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.*
- N. "PAGA Notice" means a notice of proposed settlement pursuant to PAGA, substantially in the form evidenced by Exhibit B to this Agreement.
- O. "PAGA Released Claims" means all claims under PAGA that are pled in Plaintiff's Representative Action Complaint, or which could have been pled under the PAGA based on the factual allegations in Plaintiff's Representative Action Complaint, that arose during the Covered Period.
- P. "PAGA Settlement Group Members" means, based upon Defendants' representation to Plaintiff, the approximately two hundred sixty-two (262) current and former aggrieved employees of Defendant in California during the Covered Period.
- Q. "Plaintiff" means the plaintiff in the Action, Julio Castellanos.
- R. "Plaintiff's Counsel" means Kevin Mahoney, Esq., Katherine Odenbreit, Esq., Lilit Tunyan, Esq. of Mahoney Law Group, APC.
- S. "Released Parties" means Defendant and any present and former parents, subsidiaries, affiliates, owners, shareholders, members, and their respective officers, directors, employees, representatives, insurers, and agents, attorneys, and any other successors, assigns and legal representatives and its related persons and entities.
- T. "Representative Plaintiff's Payment" means the special payment made to Plaintiff to compensate him for initiating and pursuing the Action, undertaking the risk of liability for attorneys' fees and expenses in the event that he was unsuccessful in the prosecution of the Action.
- U. "Settlement" means the Parties' agreement, as detailed herein, to dispose of the Action and all other claims, demands, rights, promises, covenants, actions, suits, causes of action, obligations, debts, expenses, administration costs, damages, civil penalties fines, interest, injuries, compensation, judgments, orders and liabilities alleged in, arising from or related to the Action.
- V. "Settlement Administrator" means Phoenix Class Action Administrators.

- W. "Settlement Share" means the portion of the Net Settlement Amount allocable to each PAGA Settlement Group Member as provided by this Agreement.
- X. "Total Settlement Amount" means the total amount to be paid by Defendants as provided by this Agreement. The Total Settlement Amount is Eighty-Five Thousand Dollars and zero Cents (\$85,000.00). The Total Settlement Amount will cover (i) all Settlement Shares to PAGA Settlement Group Members, (ii) the LWDA Payment, (iii) the Representative Plaintiff's Payment, (iv) the Plaintiff's Counsel Fees and Expenses Payment, and (v) the Settlement Administrator's fees and expenses. The Total Settlement Amount will not be increased unless there is ultimately 12.5% more than the two hundred sixty-two (262) total PAGA Settlement Group Members from January 17, 2019 through February 28, 2021 (i.e., more than two hundred ninety-four (294) total PAGA Settlement Group Members), in which case the Gross Settlement Amount shall be increased proportionally, for example, the settlement would increase by \$10,625.00 should the increase be 12.5%. The settlement is non-reversionary, such that the entire Gross Settlement Amount will be disbursed.

II. FACTUAL BACKGROUND

- A. On January 17, 2020, Plaintiff served a letter on the LWDA and Defendant in accordance with the requirements of Labor Code section 2699.3, to notify the LWDA of alleged violations by Defendant of California Labor Code sections 201, 202, 203, 204, 226, 226.7, 227.3, 510, 512, 1174, 1194, 1197, and 2802. The LWDA declined to investigate the alleged violations.
- B. Plaintiff filed this Action on March 23, 2020 on behalf of himself and similarly-aggrieved employees, and as a representative of the State of California, pursuant to the Private Attorneys General Act to recover civil penalties from his former Employer for the following wage and hour violations relating to: (1) failure to provide legally compliant meal periods; (2) failure to provide legally compliant rest periods; (3) failure to pay all wages, including minimum wage and overtime; (4) failure to keep accurate payroll records; (5) failure to reimburse all necessary business expenditures; and (6) failure to pay all wages owed at termination of employment.
- C. In the Action, Plaintiff seeks penalties under PAGA on behalf of himself and the PAGA Settlement Group Members for the alleged violations of California's Labor Code.
- D. On August 27, 2020, the Parties participated in a mediation presided over by Michelle Reinglass. However, the Parties were not able to reach an agreement at the mediation. The Parties engaged in discovery and further settlement negotiations after mediation and agreed to settle the Action, pursuant to the terms of this Agreement reflecting the PAGA Settlement, and further and separately agreed to settle all other matters covered by a separate Agreement including any claims that

Plaintiff has or may have arising from or related to his employment with Defendant, pursuant to the terms and conditions of this Agreement.

- E. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that Plaintiff's claims in the Action have merit or that they have any liability to Plaintiff or the PAGA Settlement Group on those claims, or as an admission by Plaintiff that Defendant's defenses in the Action have merit.

III. SETTLEMENT TERMS AND CONDITIONS

- A. **Non-Admission.** Nothing in this Settlement nor the acts to be performed or judgments to be entered pursuant to the terms of the Settlement shall be construed to be an admission by Plaintiff that his claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved Employees or any other person. Defendant specifically disclaims any such liability or wrongdoing. Defendant denies the allegations in the Action and specifically denies that it has committed any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct of any kind. The Parties have entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.
- B. **Total Settlement Amount.** Subject to the terms and conditions of this Agreement and court approval, the Total Settlement Amount is Eighty-Five Thousand Dollars and zero Cents (\$85,000.00). The Total Settlement Amount will cover (i) all Settlement Shares to PAGA Settlement Group Members, (ii) the LWDA Payment, (iii) the Representative Plaintiff's Payment, (iv) the Plaintiff's Counsel Fees and Expenses Payment, and (v) the Settlement Administrator's fees and expenses. The settlement is non-reversionary, such that the entire Gross Settlement Amount will be disbursed. Provided that the Court has granted approval, the settlement payment shall be due as follows:
1. Defendant shall fund the Settlement in six (6) installments within six (6) months from the Order approving the Settlement as follows:
 - a. Defendant will deposit a first payment of fourteen thousand one hundred sixty-six dollars and sixty-seven cents \$14,166.67 with the Settlement Administrator within fourteen (14) calendar days following the Order approving the Settlement:
 - b. Defendant will deposit the remaining five (5) installments with the Settlement Administrator in equal installment payments of fourteen thousand one hundred sixty-six dollars and sixty-seven cents \$ 14,166.67 each installment within thirty (30) calendar days

from the date of previous installment payment during the following five (5) months until the full payment of the Total Settlement Amount.

- C. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Total Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees: (1) Payments to Settlement Administrator; (2) Payment to Plaintiff's Counsel for attorney fees and costs; and (3) Enhancement payment to Plaintiff.
- D. **Payments to Settlement Administrator.** The Settlement Administrator will pay to itself out of the Total Settlement Amount its reasonable fees and expenses as approved by the Court, and not to exceed Five Thousand Dollars and no Cents (\$5,000.00).
- E. **Payments to LWDA.** The Settlement Administrator shall pay to the LWDA seventy-five percent (75%) of the Net Settlement Amount.
- F. **Payment to Plaintiff's Counsel.** Defendants will not oppose Plaintiff's Counsel's request for a Fees and Expenses Payment in the total, maximum amount of Twenty-Eight Thousand Three Hundred and Thirty-Three Dollars and Thirty-Three Cents (\$28,333.33) for attorneys' fees (one-third (1/3) of the Total Settlement Amount). Defendant will not oppose Plaintiff's counsel's request for expenses up to Eight Thousand Five Hundred Fifty Dollars (\$8,000.00) subject to actual proof submitted to the Court. The Settlement Administrator will issue to Plaintiff's Counsel a Form 1099 with respect to the awarded attorneys' fees and costs.
- G. **Payment to Plaintiff.** Plaintiff will seek a Representative Plaintiff's Payment in the amount of Five Thousand Dollars (\$5,000.00) in addition to his Settlement Share as an aggrieved party. This payment is made to Plaintiff to compensate him for initiating and pursuing the Action, undertaking the risk of liability for attorneys' fees and expenses in the event that he was unsuccessful in the prosecution of the Action. The Settlement Administrator will issue to Plaintiff a Form 1099.
- H. **Payment to the LWDA.** Seventy-Five percent (75%) of the Net Settlement Amount will be paid to the LWDA by the Settlement Administrator.
- I. **Settlement Share to PAGA Settlement Group Members.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will allocate Settlement Shares from Twenty-Five percent (25%) Net Settlement Amount to the PAGA Settlement Group Members as follows:

PAGA Settlement Group employees who worked for Defendant in the Covered Period, will receive a per pay period payment in proportion to the number of pay periods worked for Defendant during the Covered Period in comparison to the total number of pay periods worked by all PAGA Settlement Group Members. A Form 1099 will be issued to each Settlement Group Member for his/her Settlement Share because the Action sought civil penalties.

J. **Appointment of Settlement Administrator.** The Parties will request the Court appoint Phoenix Class Action Administrators to act as the Settlement Administrator to resolve disputes in connection with the calculation of Settlement Shares in accordance with the Settlement; distribute Settlement Shares and other payments due under the Settlement; and otherwise administer the Settlement. The Settlement Administrator's duties will include preparing, printing, and mailing the Notice Packet and checks to the PAGA Settlement Group Members; conducting a National Change of Address search and using Accurant and other reasonable and cost-effective skip trace methods to locate any PAGA Settlement Group Member whose Notice Packet was returned by the U.S. Postal Service as non-deliverable, and re-mailing the Notice Packet to the PAGA Settlement Group Member's new address; issuing the checks to effectuate the payments due under the Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Settlement Administrator will have the final authority to resolve all disputes concerning the calculation of a PAGA Settlement Group Member's Settlement Share, subject to the dollar limitations set forth in this Agreement. The Settlement Administrator's reasonable fees and expenses, including the cost of printing and mailing the Notice Packet, will be paid out of the Total Settlement Amount as noted in section III(D) herein.

K. **Procedure for Approving Settlement.**

1. **Motion for an Order Approving the Settlement.**

a. The Parties will cooperate in seeking approval of the Settlement from the Superior Court, including Plaintiff's filing a Motion for an Order Approving the Settlement Agreement (the "Motion").

b. Pursuant to PAGA, on the date the Parties file the Motion, Plaintiff will submit to the LWDA the PAGA Notice enclosing this Agreement. The Parties intend and believe that providing notice of this Settlement to the LWDA pursuant to the procedures described in this section complies with the requirements of PAGA.

c. At the hearing on the Motion, the Parties will jointly appear, support the granting of the motion, and submit an order granting the motion to approve this Agreement.

d. Should the Court decline to approve all material aspects of the Settlement, or order material changes to the Settlement to which the Parties do not agree, or declines to issue the Order in a form approved by the Parties (except for the amount of attorney's fees or costs requested), the Parties will meet and confer to address the Court's concerns and determine whether resolution of the Action can be obtained in a manner consistent with the Court's concerns. If no agreement can be reached, or Court approval cannot be obtained

in spite of the Parties' reasonable efforts, or the Court's approval of this Settlement is reversed, modified, or declared or rendered void, then (i) the Settlement will be null and void and the Parties will have no further obligations thereunder, (ii) the Settlement and any of the related negotiations or proceedings shall be of any force or effect; and (iii) all Parties to the Settlement shall stand in the same position, without prejudice, as if the Settlement had not been entered into and the Settlement had not been filed with the Court. Invalidation of any material portion of the Settlement, shall invalidate the Settlement in its entirety, as well as the Individual Settlement in its entirety, unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect. However, an award by the Court of lesser amounts than sought for the Representative Plaintiff's Payment and/or Counsel Fees and Expenses Payment or the Settlement Administrator's Fees will not be considered a material change to the Settlement.

2. **No Right to Opt Out or Object.** The Parties agree there is no statutory right for any PAGA Settlement Group Member to object, opt out or otherwise exclude himself or herself from the Settlement. The Parties further agree there is no right or opportunity for any PAGA Settlement Group Member to appeal the approval of the Settlement by the Court. The Parties further agree that an Aggrieved Employees' recovery under this Settlement does not act to preclude claims not encompassed within the release of claims in Section III.L. This Agreement shall not be subject to collateral attack by any PAGA Member. Such prohibited collateral attack shall include, but not be limited to, claims that the PAGA Member failed, for any reason, to timely receive his or her individual Settlement Payment.

3. **Notice to PAGA Settlement Group Members.** After the Court enters its order granting the Joint Motion, every PAGA Settlement Group Member will be provided with the Notice and a check for their Settlement Share.

a. Defendant will deposit the Gross Settlement Amount in six (6) installments as set forth above in Paragraph III.B.1 ("Settlement Payment") with the Settlement Administrator via wire transfer. Within fourteen (14) days after Defendant is served with the signed Court Order approving the Settlement (either by the Clerk of the Court or via email by Plaintiff's counsel) Defendant will provide to the Settlement Administrator the names, job title, last known addresses and telephone numbers, Social Security numbers, and Covered Pay Periods of all PAGA Settlement Group Members. The Settlement Administrator shall keep this information confidential and not disclose it to Plaintiff's Counsel or any third parties. If any or all of the PAGA Settlement Group Members' data are unavailable to Defendant, Defendant will use best efforts to deduce or reconstruct their data prior to when it must be submitted to the Settlement Administrator.

b. Within five (5) calendar days after receiving the sixth and final Settlement Payment as set forth in Paragraph III.B.1.b. from Defendant, the Settlement Administrator will send a Notice and a check for their Settlement Share to each PAGA Settlement Group Member. The Settlement Administrator shall use reasonable steps to update PAGA Settlement Group Members' address, the reasonable steps shall include but are not limited to skip tracing and use of the NCOA database. The Settlement Administrator will mail this information to all identified PAGA Settlement Group Members, using the mailing address information provided by Defendant, unless modified by any updated address information that the Settlement Administrator obtains in the course of administration of the Settlement. In the event of returned or non-deliverable notices, the Settlement Administrator will make reasonable efforts to locate PAGA Settlement Group Members and re-send the notices.

c. If a Notice Packet is returned because of an incorrect address, the Settlement Administrator will promptly, and not later than ten (10) days from receipt of the returned packet, search for a more current address for the PAGA Settlement Group Member using Accurint and other reasonable and cost-effective skip trace methods, and re-mail the Notice Packet to the PAGA Settlement Group Member. The Settlement Administrator will use the PAGA Settlement Group Members' data and otherwise work with Defendants to find a more current address. The Settlement Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, court orders, and fee, as agreed to with Plaintiff's Counsel and according to the following deadlines, to trace the mailing address of any PAGA Settlement Group Member for whom a Notice Packet is returned by the U.S. Postal Service as undeliverable. These reasonable steps will include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to PAGA Settlement Group Members for whom new addresses are found.

4. **Submission of Judgment.** Plaintiff shall submit a copy of the Judgment in this Action and a copy of any other order providing for or denying an award of civil penalties within ten (10) calendar days after entry of the Judgment and/or order, in compliance with Section 2699(1)(3) of the California Labor Code to the LWDA. The Judgment will be made available to the LWDA and Aggrieved Employees through the Settlement Administrator's website for a period of one (1) year following entry of judgment.
5. **Waiver of Right to Appeal.** Provided that the Order approving the Settlement and the Judgment thereon is consistent with the material terms of this Agreement, Plaintiff, Defendant, and their respective counsel hereby waive any and all rights to appeal from the Order or Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for new trial, and any extraordinary

writ, and the Judgment therefore will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings. This paragraph does not preclude Plaintiff or Plaintiff's Counsel from appealing from a refusal by the Court to award the Plaintiff's Counsel attorneys' fees and/or costs sought by them. If an appeal is taken, the time for consummating the Settlement (including making payments under the Settlement) will be suspended until such time as their appeal is finally resolved and the Judgment becomes Final, as defined in this Agreement.

6. **Vacating, Reversal, or Material Modification of Judgment on Appeal or Review.** If, after a notice of appeal or a petition for *certiorari* or review, or any other motion, petition, or application, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material change to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then either Plaintiff or Defendant will have the right to void the Settlement, which the Party must do by giving written notice to the other Parties, the reviewing court, and the Court not later than thirty (30) calendar days after the reviewing court's decision vacating, reversing, or materially modifying the Judgment becomes Final. A vacation, reversal, or modification of the Court's award of the Representative Plaintiff's Payment (if any) and/or Plaintiff's attorneys' fees and/or costs will not constitute a vacating, reversal, or material modification of the Judgment within the meaning of this paragraph, although Plaintiff or Plaintiff's Counsel have the right to appeal from any refusal by the Court to award the Plaintiff's Counsel attorneys' fees and/or costs sought by them.
7. **Timing of Settlement Payments.** Within ten (10) calendar days after the Court Order is signed approving the Settlement, the Settlement Administrator will provide Defendant with wire transfer information. Defendants will transfer the Total Settlement Amount to the Settlement Administrator via wire transfer in six (6) installments as set forth above in Paragraph III.B.1.
 - a. Within five (5) calendar days after receiving the sixth and final installment payment of settlement funds from Defendant, pursuant to Paragraph III.B.1.c, the Settlement Administrator will make the following payments: Payment to the PAGA Settlement Group Members, Plaintiff's enhancement payment, Plaintiff's counsel's costs and fees awarded and payment to the LWDA.
8. **Uncashed Settlement Share Checks.** A PAGA Settlement Group Member must receive or cash his or her Settlement Share payment or check within 180 calendar days after it is mailed to him or her. If a check is returned to the Settlement Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the PAGA Settlement Group Member at

his or her correct address. If any PAGA Settlement Group Member's Settlement Share check is not cashed within one hundred twenty (120) calendar days after its last mailing to the PAGA Settlement Group Member, the Settlement Administrator will send the PAGA Settlement Group Member a letter or postcard informing him or her that unless the check is cashed in the next sixty (60) calendar days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed. If a PAGA Settlement Group Member fails to cash the check for his or her Settlement Share within one hundred eighty days (180) calendar days after it is mailed to him or her, the funds shall be distributed by the Settlement Administrator to the State Controller's Unclaimed Property Fund in the Settlement Group Member's name.

L. Release and Waiver of Claims.

- 1. PAGA Settlement Group Members.** As of the date the Settlement becomes Final, Plaintiff, acting on behalf of the State of California, and all PAGA Settlement Group Members, releases Defendant and the Released Parties from any and all claims based on the Private Attorneys General Act (2004), as pleaded in Plaintiff's Complaint or that could have been pleaded on the facts as alleged in the Complaint and Plaintiff's notice letter to LWDA, arising during the Covered Period, including but not limited to claims under Labor Code sections 201, 202, 203, 204, 226, 226.7, 227.3, 510, 512, 1174, 1194, 1197, and 2802, and any resulting claim for attorneys' fees and costs (the "Released Claims").

- M. No Effect on Other Benefits.** The payment to PAGA Settlement Group Members will not result in any additional benefit payments (such as 401(k) or bonus) beyond those provided by this Agreement to Plaintiff or the PAGA Settlement Group Members, and they will be deemed to have waived all such claims, whether known or unknown by them, as part of their release of claims under this Agreement.

- N. Confidentiality Preceding Approval.** Prior to filing of the Motion for Settlement Approval, Plaintiff will not issue any press or other media releases or have any communication with the press or media or anyone other than his immediate family, attorneys, financial advisors, banking or institutions, retained experts, the LWDA and vendors related to settlement administration, regarding the Settlement. Plaintiff further agrees that he will instruct his attorneys not to disclose the terms of this Agreement other than as necessary in connection with the motion to approve the settlement. This section does not bar Plaintiff's counsel from carrying out their duties as counsel to Representative Plaintiff for the LWDA. Further Defendant acknowledges Plaintiff may be required to disclose his individual settlement terms, if any, to the Court. Defendant agrees no violation of this provision will occur if Plaintiff is required and does so disclose terms of this Settlement and the individual settlement, if any, to the Court which may require the amount of the settlement(s).

O. Miscellaneous Terms.

1. The Parties recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the potential benefits of litigation. The Parties have considered the risk and uncertainty of the outcome inherent in any litigation.
2. Plaintiff and Plaintiff's Counsel contend that they have diligently pursued an investigation of the PAGA Members' claims against Defendant.
3. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Settlement is fair, reasonable, and adequate and is in the best interests of the Plaintiff, the PAGA Members, and Defendant in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, Plaintiff's Counsel believes that the settlement amount entered into is in the best interests of the PAGA Members and that the settlement for each PAGA Member is fair, reasonable, and adequate, given the inherent risk of litigation.
4. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission of liability or wrongdoing by Defendant, or an admission by Plaintiff that any of his claims was non-meritorious or any defense asserted by Defendant were meritorious. This Settlement and the fact that Plaintiff and Defendant was willing to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with the Settlement).
5. Whether or not the Judgment becomes Final, nothing in the Settlement, this Agreement, any document, statement, proceeding or conduct related to the Settlement or the Agreement, or any reports or accounting of those matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any other Released Parties, including, but not limited to, evidence of a presumption, concession, indication or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred to or offered in evidence against any of the Released Parties, in any further proceeding in the Action, or any other civil, criminal or administrative action or proceeding except for purposes of effectuating the Settlement pursuant to this Agreement.
6. This section and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may be admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this

Agreement, or in defense of any claims released or barred by this Agreement.

7. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any Party concerning this Agreement or its exhibits other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits. This Agreement, together with the Individual Settlement, constitutes the entire agreement of the parties, and both this Agreement and the Individual Settlement are contingent on the Court's approval of and Order entering this Agreement.
8. **Attorney Authorization.** Plaintiff's Counsel and Defendants' Counsel each warrant and represent that they are authorized by their respective clients 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 required to effectuate the terms of this Agreement, but that the Attorneys are not parties to the Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court or mediator, and in all cases all such documents, supplemental provisions and assistance of the court will be consistent with this Agreement. No attorney for any Party is a Party to this agreement and will not be liable for any party's breach of any of the terms of this agreement.
9. **Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their successors-in-interest.
10. **Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
11. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
12. The Los Angeles County Superior Court shall retain jurisdiction to enforce this Agreement pursuant to California Code of Civil Procedure section 664.6, and the Parties agree to request that the Court retain such jurisdiction

over all Parties and PAGA Members, to the fullest extent to enforce and effectuate the terms and intent of this Agreement, including after entry of Judgment, as a part of the Court's Order Approving PAGA Settlement.

13. **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.
14. **Fair Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential. The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement, or with respect to any such matters that would alter or change the terms of this Agreement. No representations, warranties, or inducements have been made to any party concerning this Agreement other than those expressly set forth or referred to herein.
15. **Attorney's Fees and Costs.** Except as specifically set forth herein, each party shall bear its/his own attorneys' fees, costs, and expenses including expert expenses, taxable or otherwise, incurred by him/her/it arising out of the Action, and shall not seek reimbursement thereof from any other party to this Agreement.
16. **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.
17. **Notice.** All notices, demands or other communications given under this Agreement will be in writing and deemed to have been duly given as of the third calendar day after mailing by United States mail, addressed as follows:

To Plaintiff and the Settlement Group:

Kevin Mahoney
Katherine Odenbreit
Lilit Tunyan
Mahoney Law Group, APC
249 East Ocean Boulevard, Suite 814
Telephone: (562) 590-5550
Facsimile: (562) 590-8400

kmahoney@mahoney-law.net
kodenbreit@mahoney-law.net
ltunyan@mahoney-law.net

To Defendants:

José-Manuel A. de Castro, Esq.
David G. Larmore, Esq.
Lori V. Minassian, Esq.
DE CASTRO LAW GROUP, P.C.
7590 N. Glenoaks Blvd., Suite 201
Los Angeles, CA 91504
Telephone: (310) 270-9877
Facsimile: (310) 341-2330
jmdecastro@decastrolawgroup.com

18. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or electronic signatures will be accepted as original. An original signature shall be provided within seven days, upon written request. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES

The Parties hereby execute this Agreement.

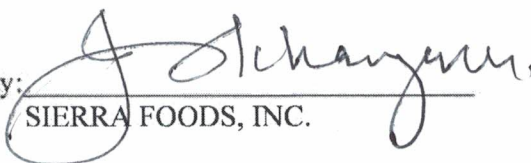
Dated:


JULIO CASTELLANOS

Dated:

3/8/2021

By:


SIERRA FOODS, INC.