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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SUTTER

STEPHEN ARROWSMITH, as an aggrieved
employee pursuant to the Private Attorneys
General Act ("PAGA"), on behalf of the State of
California and other aggrieved employees,

Plaintiff,

vs.

SISCO ENTERPRISES, INC., a California
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. CVCS20-0000772

PAGA SETTLEMENT AGREEMENT

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9. “Plaintiff’s Counsel” means Capstone Law APC.

10. “Released Parties” collectively mean Defendant Cisco Enterprises, Inc., and Defendant’s current, former, and future subsidiaries, affiliates, shareholders, officers, directors, employees, agents, representatives, members, managers, principals, agents, predecessors, successors, assigns, attorneys, and/or any individual or entity which could be jointly liable with Defendant.

11. “Service Award” means the amount to be paid to Plaintiff as payment for his service on behalf of the LWDA and Aggrieved Employees, and for a general release of all claims arising out of his employment with Defendant.

12. “Settled Claims” means any and all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged or could have been alleged to have been violated in the Action with respect to Aggrieved Employees based on the facts alleged in Plaintiff’s letter to the LWDA during the Settlement Period.

13. “Settlement Period” means the period from February 25, 2019 to November 15, 2022.

TERMS

14. Gross Settlement Amount. In consideration for Plaintiff's promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendant will pay Three Hundred Thousand Dollars (\$300,000) ("Gross Settlement Amount") to settle the Action. The Gross Settlement Amount includes Plaintiff's attorneys' fees, litigation costs and expenses, consideration for Plaintiff's service on behalf of the LWDA and Aggrieved Employees, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendant.

15. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the Action with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees according to the following formula: Settlement Payment = 25% of

1 PAGA Penalties Fund × (Aggrieved Employee's Individual Pay Periods During the Settlement Period ÷
2 All Aggrieved Employees' Total Pay Periods during the Settlement Period).

3 16. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or
4 motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than One Hundred Thousand
5 Dollars (\$100,000), plus the reimbursement of all out-of-pocket costs and expenses associated with
6 Plaintiff's Counsel's litigation and settlement of the Action (including expert/consultant fees,
7 investigations costs, etc.), not to exceed Twenty Thousand Dollars (\$20,000), both of which will be paid
8 from the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to
9 Plaintiff's Counsel will be added to the PAGA Penalties Fund.

10 17. Service Award. For a general release of all claims Plaintiff may have against Defendant
11 and the Released Parties arising out of his employment, and for his service on behalf of the LWDA and
12 Aggrieved Employees, Defendant agrees not to oppose or impede any application or motion by Plaintiff
13 for a service award of up to Ten Thousand Dollars (\$10,000) ("Service Award"). Upon receipt of the
14 Service Award, Plaintiff will be deemed to have fully released and discharged Defendant and the
15 Released Parties from any and all claims, demands, obligations, causes of action, rights, or liabilities of
16 any kind which have been or could have been asserted against Defendant and/or the Released Parties
17 arising out of, or relating to, Plaintiff's employment with Defendant or termination thereof, including but
18 not limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment
19 or wrongful termination of employment. This release specifically includes any and all claims, demands,
20 obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees and
21 costs (except provided by the Settlement) relating to or in any way connected with the matters referred to
22 herein, whether or not known or suspected to exist, and whether or not specifically or particularly
23 described herein. Specifically, Plaintiff will be deemed to have waived all rights and benefits afforded by
24 California Civil Code Section 1542, which provides:

25 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR**
26 **OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR**
27 **HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF**
28 **KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR**

1 **HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

2 18. Plaintiff understand and agrees that this Settlement Agreement shall remain in full force
3 and effect even if the full amount of Service Award sought by Plaintiff is not ultimately awarded by the
4 Court.

5 19. Settlement Administration Costs. The Parties will retain CPT Group, Inc. as the third-
6 party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be
7 responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate
8 tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's Counsel. The Settlement
9 Administration Costs will be paid from the Gross Settlement Amount. Based on the estimate that there
10 are approximately nine hundred twenty-three (923) Aggrieved Employees, Settlement Administration
11 Costs are estimated at Five Thousand Five Hundred Dollars (\$5,500).

12 20. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties
13 will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the
14 Court issue an order and judgment approving and incorporating by reference the terms and conditions of
15 the Settlement Agreement (the "Order and Judgment").

16 21. List of Aggrieved Employees. Within seven (7) calendar days after entry of the Order
17 and Judgment, Defendant will provide the Settlement Administrator a complete list of all Aggrieved
18 Employees ("Aggrieved Employee List"). The Aggrieved Employee List will be formatted in Microsoft
19 Office Excel and will include each Aggrieved Employees full name; most recent mailing address and
20 telephone number; Social Security number; dates of employment during the Settlement Period; and any
21 other relevant information needed to calculate settlement payments.

22 22. Funding of the Settlement. Within seven (7) calendar days after entry of the Order and
23 Judgment, Defendant will deposit the Gross Settlement Amount into the QSF to be established by the
24 Settlement Administrator. Within fourteen (14) calendar days of the funding of the Settlement, the
25 Settlement Administrator will issue payments to: (a) Aggrieved Employees; (b) the Labor and
26 Workforce Development Agency; (c) Plaintiff; (d) Plaintiff's Counsel; and (e) itself. The Settlement
27 Administrator, and not Defendant, will issue the appropriate tax forms for all payments issued under this
28 Settlement.

1 23. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue
2 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an
3 explanatory letter, attached as Exhibit A. Prior to mailing, the Settlement Administrator will perform a
4 search based on the National Change of Address Database for information to update and correct for any
5 known or identifiable address changes. Any checks returned as non-deliverable on or before the check
6 cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address
7 affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt
8 to determine the correct address using a skip-trace, or other search using the name, address or Social
9 Security number of the Aggrieved Employee involved, and will then perform a single re-mailing.
10 Checks will remain negotiable for 180 days. Those funds represented by un-cashed checks which remain
11 outstanding 180 days after the mailing of the Settlement checks by the Settlement Administrator will be
12 tendered to the LWDA. All settlement payments to Aggrieved Employees will be treated as
13 miscellaneous income for which a 1099 will be issued.

14 24. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and all Aggrieved
15 Employees will be forever barred from pursuing against Defendant any and all Settled Claims during the
16 Settlement Period. Aggrieved Employees, other than Plaintiff, will not be deemed to have released any
17 individual wage and hour claims by virtue of this Settlement.

18 25. No Right to Exclusion or Objections by Representative Action Members. Because this
19 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a
20 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no
21 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved
22 Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court,
23 regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties
24 also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

25 26. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced
26 herein will not be utilized to calculate any additional benefits under any benefit plans to which any
27 Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans,
28 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit

1 plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights,
2 contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

3 27. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
4 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
5 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
6 action or right herein released and discharged.

7 28. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve
8 the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then
9 this Settlement Agreement, and any documents generated to bring it into effect, will be null and void,
10 and the Parties will be returned to their original respective positions.

11 29. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court
12 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
13 of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters
14 as may be appropriate under court rules or as set forth in this Settlement.

15 30. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
16 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
17 on the Parties.

18 31. Amendment or Modification. This Settlement Agreement may be amended or modified
19 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all
20 Parties, and approved by the Court.

21 32. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
22 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
23 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
24 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
25 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
26 other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to
27 reach agreement on the form or content of any document needed to implement the Settlement, or on any
28 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties

1 may seek the assistance of the Court to resolve such disagreement.

2 33. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
3 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

4 34. California Law Governs. All terms of this Settlement Agreement will be governed by
5 and interpreted according to the laws of the State of California.

6 35. Execution and Counterparts. This Settlement Agreement is subject only to the execution
7 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
8 executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimiles, and
9 scanned copies of the signature pages, will be deemed to be one and the same instrument.

10 36. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
11 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
12 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that
13 they are each represented by competent counsel and that they have had an opportunity to consult with
14 their counsel regarding the fairness and reasonableness of this Settlement.

15 37. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
16 Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from
17 the Court, and either party may appeal any court order that materially alters the Settlement's terms.

18 38. Invalidity of Any Provision. Before declaring any provision of this Settlement
19 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
20 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
21 valid and enforceable.

22 39. Captions. The captions and section numbers in this Settlement Agreement are inserted
23 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
24 provisions of this Settlement Agreement.

25 40. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
26 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
27 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

28 41. Enforcement Action. In the event that one or more of the Parties institutes any legal

1 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
2 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
3 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
4 expert witness fees incurred in connection with any enforcement actions.

5 42. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
6 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
7 more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for
8 one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties,
9 all Parties have contributed to the preparation of this Settlement Agreement.

10 43. Representation By Counsel. The Parties acknowledge that they have been represented
11 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
12 that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed
13 in full.

14 44. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
15 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
16 Settlement Agreement.

17 45. Binding Agreement. The Parties warrant that they understand and have full authority to
18 enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and
19 binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to
20 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
21 under federal or state law.

22 46. Denial of Liability. The Parties expressly recognize that the making of this agreement
23 does not in any way constitute an admission or concession of wrongdoing on the part of Defendant.
24 Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements,
25 discussions or communications, nor any materials prepared, exchanged, issued or used during the
26 pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be
27 introduced, be used or be admissible in any way in any other judicial, arbitral, administrative,
28 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, this agreement may be used in any proceeding in the Court that has as its
purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments
of the Court entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

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Dated: 2/2/2023

Stephen Dirk Arrowsmith

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DEFENDANT

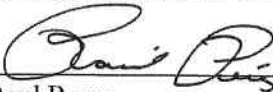
Dated: _____

[Name of Authorized Signatory]
Sisco Enterprises, Inc.

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: February 2, 2023


Raul Perez

Attorneys for Plaintiff Stephen Arrowsmith

ARABIAN-LEE LAW CORPORATION

Dated: 02-03-2023


Ellen C. Arabian-Lee

Attorneys for Defendant Sisco Enterprises, Inc.

statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.
Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its
purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments
of the Court entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: _____

Stephen Arrowsmith

DEFENDANT

Dated: Feb 3, 2023

Frank Sisco
Frank Sisco (Feb 3, 2023 09:10 PST)

[Name of Authorized Signatory]
Sisco Enterprises, Inc.

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: _____

Raul Perez

Attorneys for Plaintiff Stephen Arrowsmith

ARABIAN-LEE LAW CORPORATION

Dated: _____

Ellen C. Arabian-Lee

Attorneys for Defendant Sisco Enterprises, Inc.

Exhibit A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Payment From *Arrowsmith vs. Sisco Enterprises, Inc.*, No. CVCS20-0000772 (Sutter County Superior Court)

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Arrowsmith vs. Sisco Enterprises, Inc.*, No. CVCS20-0000772 (Sutter County Superior Court) (the “Action”).

The Action was filed against Defendant Sisco Enterprises, Inc. (“Defendant”) pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called “PAGA”). The Action was brought by a former employee of Defendant on behalf of the State of California and all allegedly “aggrieved employees” of Defendant. You have been identified as one of the employees on whose behalf the case was brought.

The Plaintiff in the Action claimed that Defendant owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders. Defendant denies that it violated the Labor Code or California Wage Orders. Moreover, in agreeing to this settlement, Defendant does not admit that it is liable in any way for any penalties.

The Court has not ruled on the merits of the Action but it has approved the settlement of PAGA civil penalties, of which 75% will be paid to the California Labor and Workforce Development Agency, and the remaining 25% will be paid to aggrieved employees. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

Aggrieved employees, other than Plaintiff, will not be deemed to have released any individual wage and hour claims based on alleged violations of the Labor Code or of a California Wage Order, for which they have a private right of action, by virtue of the Settlement.

You are not a party to this lawsuit, but you and the government will be bound by the settlement in this matter as to civil penalties. If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very Truly Yours,

[Administrator]