

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff Fernando Salguero ("Plaintiff"), on behalf of himself and on behalf of the State of California and all allegedly-aggrieved employees (referred to herein as the "PAGA Employees" further defined below), and Defendant Collabera, Inc. ("Defendant") (collectively the "Parties"), subject to the approval of the Court, that the settlement of the Action (as defined below) shall be effectuated upon and subject to the following terms and conditions (this "Settlement") Capitalized terms as used herein shall have the meanings set forth in Section II(A) or as defined elsewhere in this Settlement Agreement and Release.

I. RECITALS

WHEREAS, on March 18, 2020, Plaintiff notified the Labor Workforce Development Agency ("LWDA") of his intent to file an action under California's Private Attorneys General Act, California Labor Code § 2698 *et seq.* ("PAGA");

WHEREAS, Plaintiff allowed the LWDA an opportunity to investigate his claims as required by the Labor Code;

WHEREAS, the LWDA took no action in response to Plaintiff's notice;

WHEREAS, on May 26, 2020, Plaintiff commenced the Action by filing a Representative Action against Defendant alleging PAGA claims on behalf of the State of California, himself, and other allegedly-aggrieved employees;

WHEREAS the PAGA claims allege violations of California Labor Code sections 201, 202, 203, 204, *et seq.*, 204(a), 204(d), 210, 218, 218.6, 226, 226(a), 226(e), 226.3, 226.7, 226.7(a), 510, *et seq.*, 510(a), 510(b), 512, 512(a), 558, 1174, 1174(c), 1174(d), 1174.5, 1194, *et seq.*, 1194(a), 1197, 1197.1, 1198, *et seq.*, 1198.5, 1199, 2698, *et seq.*, 2699, *et seq.*, 2699(a), 2699(f)(2), 2699(g)(1), 2699.3, 2699.3(a), 2699.5, 2800, 2802, 2802(a), CCR § 11010, and IWC Wage Orders No. 4, 7 and 9, related to payment of minimum wages, overtime wages, providing meal and rest periods, timely payment of wages during employment, timely payment of final wages, issuance of wage statements and accurate record keeping;

WHEREAS, during the course of the litigation the Parties engaged in informal discovery and exchange of additional information to prepare for a mediation;

WHEREAS, on April 26, 2021, the Parties participated in a private mediation with mediator Jeffrey A. Ross, with respect to the PAGA claims;

WHEREAS, the Parties desire to settle, compromise, and avoid litigation relating to the remaining PAGA Claims in the Action, and have agreed to settle the Action upon the terms and conditions and for the consideration set forth in this Settlement Agreement and Release;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the Parties hereto as follows:

II. SETTLEMENT TERMS

A. Definitions

1. “Action” means the case entitled ***Fernando Salguero v. Collabera, Inc.***, Superior Court State of California, County of Los Angeles, Case No. 20STCV19946.

2. “Aggrieved Employee List” means the Microsoft Excel spreadsheet containing the following information for each PAGA Employee: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee of Defendant in the State of California; (6) total Pay Periods worked as a non-exempt employee of Defendant in the State of California during the PAGA Period; and (7) any other information, including the Pay Period Value per the calculation in Section C(13) below, required by the Settlement Administrator in order to effectuate the terms of this Settlement.

3. “Attorney’s Fees” means such attorney fees as the Court may award to Plaintiff’s Counsel for the services they have rendered and will render to the PAGA Employees in the Action, and which shall not exceed Seven Hundred Thousand Dollars and Zero Cents (\$700,000.00).

4. “Attorney’s Costs” means such litigation costs as the Court may award to Plaintiff’s Counsel for the costs they have incurred and will incur in the investigation, litigation, and resolution of the Action, and in administration of this Settlement, and which shall not exceed Thirty-Thousand Dollars and Zero Cents (\$30,000.00).

5. “Complaint” means the complaint filed in this Action.

6. “Defense Counsel” means Rebecca Aragon of Littler Mendelson, P.C.

7. “Effective Date” means the date this Settlement is approved as provided herein and the Court’s order granting Settlement Approval and entry of Final Judgment becomes final and is no longer appealable. For purposes of this Settlement, “becomes final and is no longer appealable” shall mean the later of: (a) the day after the last date by which a notice of appeal to the applicable Court of Appeal of the order and judgment approving this Settlement may be timely filed and none is filed (*i.e.*, 61 days from notice of entry of judgment); (b) if an appeal is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or in any other manner that confirms the validity of the order and judgment, the day after the last date for filing a request for further review of the order and judgment approving this Settlement passes, and no further review is requested; or (c) if an appeal is filed and the order approving this Settlement is affirmed and further review of the order is requested, the day after the review is finally resolved and the order and judgment approving this Settlement is affirmed. In the event that: (i) the Court does not approve this Settlement as provided herein; or (ii) the Effective Date does not occur for any other reason, then this Settlement Agreement and Release, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions. The Effective Date cannot occur, and Defendant will not be obligated to fund this Settlement, until and unless there is no possibility of an appeal or further appeal that could potentially prevent this Settlement from becoming final and binding.

8. “Maximum Settlement Amount” means the maximum potential value of this Settlement, which is Two Million One Hundred Thousand Dollars and Zero Cents

(\$2,100,000.00). The Maximum Settlement Amount is the maximum amount Defendant can be required to pay under this Settlement, including: (1) Payments to the PAGA Employees of their share of the Net Settlement Amount (defined below); (2) Plaintiff Counsel's Attorneys' Fees; (3) Plaintiff Counsel's Attorney's Costs; (4) Settlement Administration Costs; (5) Plaintiff's Incentive Payment, and (6) the Payment to the LWDA of its share of the Net Settlement Amount (defined below).

The Maximum Settlement Amount is based on Defendant's representation that the PAGA Employees worked a total of 32,793 Pay Periods through January 31, 2021. This Pay Period data through January 31, 2021 was provided to Plaintiff within a 10% margin of error. Should the qualifying Pay Periods worked by the PAGA Employees through January 31, 2021 ultimately be determined to be more than 10% above 32,793 Pay Periods, only then will the following escalator clause be triggered: Defendant shall increase the Maximum Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Pay Periods worked through January 31, 2021 by the PAGA Employees above 10% (the "Escalator Clause") (if not, then the Escalator Clause will not be triggered). For example, if the number of Pay Periods increases by 11% to 36,400 Pay Periods through January 31, 2021, the Maximum Settlement Amount will increase by 1%.

9. "Individual Settlement Share" means each PAGA Employee's *pro rata* share of the PAGA Employee Fund as calculated pursuant to Section C(13), below.

10. "Net Settlement Amount" means the Maximum Settlement Amount *minus* the sum of: (1) Plaintiff Counsel's Attorney's Fees, (2) Plaintiff Counsel's Attorney's Costs, (3) Plaintiff's Incentive Payment, and (4) the Settlement Administration Costs. The LWDA will be paid 75% of the Net Settlement Amount and the remaining 25% of the Net Settlement Amount will be paid to the PAGA Employees and that amount shall be referred to as the PAGA Employee Fund as defined in paragraph 13, below.

11. "Notice" means the form of notice that will be sent to each PAGA Employee accompanying their Individual Settlement Shares, which shall be substantially in the form attached hereto as **Exhibit A**. The Notice shall list the amount of Pay Periods worked by each PAGA Employee during the PAGA Period and, applying the Pay Period Value, the estimated Individual Settlement Share each PAGA Employee will receive. The Notice shall be mailed to PAGA Employees in conjunction with the check of each PAGA Employee's share of the PAGA Employee Fund.

12. "PAGA Employees" means all current and former non-exempt employees of Defendant who worked in the state of California from March 22, 2019 through May 28, 2021.

13. "PAGA Employee Fund" means the remaining 25% of the Net Settlement Amount that will be paid to the PAGA Employees.

14. "PAGA Period" is from March 22, 2019 through May 28, 2021.

15. "Pay Period" means any pay period in which a PAGA Employee worked at least one day.

16. "Plaintiff's Counsel" means Heather Davis and Amir Nayebdadash of Protection Law Group, LLP.

17. “Plaintiff’s Incentive Payment” means such incentive payment as the Court may award to Plaintiff for his participation in the Action, and which shall not exceed Five Thousand Dollars and Zero Cents (\$5,000.00).

18. “Released Claims” means all claims for civil penalties under PAGA that were actually alleged or that could have been alleged in the Action by Plaintiff, on behalf of the State of California, himself and the PAGA Employees, based on the facts, theories, primary rights, statutory or other legal grounds referenced in or alleged in the Complaint and Plaintiff’s PAGA letter dated March 18, 2020 to the LWDA (“PAGA Letter”), including but not limited to: (a) penalties pursuant to Labor Code Section 201, 202, 203, 204, et seq., 204(a), 204(d), 210, 218, 218.6, 226, 226(a), 226(e), 226.3, 226.7, 226.7(a), 510, et seq., 510(a), 510(b), 512, 512(a), 558, 1174, 1174(c), 1174(d), 1174.5, 1194, et seq., 1194(a), 1197, 1197.1, 1198, et seq., 1198.5, 1199, 2698, et seq., 2699, et seq., 2699(a), 2699(f)(2), 2699(g)(1), 2699.3, 2699.3(a), 2699.5, 2800, 2802, 2802(a), CCR § 11010, and IWC Wage Orders No. 4, 7 and 9; (b) attorney’s fees and costs incurred in the prosecution of this Action on behalf of the PAGA Employees; and (c) any other PAGA penalties based on the facts or theories alleged in the Complaint or PAGA Letter.

19. “Released Parties” means Collabera, Inc. as well as its predecessors, merged entities, parents, subsidiaries, affiliates, related organizations, all of their respective officers, directors, employees, administrators, fiduciaries, trustees, beneficiaries, and agents, and each of their past, present, and future, officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, attorneys, auditors, consultants, insurers, and reinsurers.

20. “Settlement Administrator” means ILYM Group, a third-party settlement claims administrator that the Parties will ask the Court to appoint for the purposes of administering this Settlement subject to the negotiations of terms with the ILYM Group. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

21. “Settlement Administration Costs” means that the Parties will obtain a not-to-exceed quote from ILYM Group for Settlement Administration Costs. The Settlement Administration Costs shall be paid out of the Maximum Settlement Amount. The Settlement Administration Costs will not exceed \$19,990.00. To the extent the Court awards payments of Settlement Administration Costs in an amount that is less than the amount stated herein, the remainder shall become part of the Net Settlement Amount.

22. “Settlement Approval Order and Judgment” means the Settlement Approval Order and Judgment that will be entered by the Court, which shall be substantially in the form attached hereto as **Exhibit B**.

23. “Settlement Fund Account” means the bank account established by the Settlement Administrator pursuant to the terms of this Settlement Agreement and Release, from which all monies payable under the terms of this Settlement shall be paid, as set forth herein.

24. “Void Date” means the 181st day after issuance of Individual Settlement Share checks to PAGA Employees, upon which the Individual Settlement Share checks will no longer be valid and negotiable.

B. Consideration

1. No Admission of Liability. Defendant has contended and continues to contend that the allegations in the Action have no merit and do not give rise to liability. Defendant specifically denies all of the allegations in the PAGA Letter, and Complaint. This Settlement Agreement and Release is a compromise of such disputed claims. Nothing contained in this Settlement Agreement and Release and no documents referred to herein and no action taken to carry out this Settlement Agreement and Release may be construed or used as an admission by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Defendant maintains that it is participating in this Settlement to avoid the expense, inconvenience and delay of further litigation.

2. Maximum Settlement Amount Components. Provided that the Court approves this Settlement and the Effective Date occurs, Defendant will pay the Maximum Settlement Amount of Two Million One Hundred Thousand Dollars and Zero Cents (\$2,100,000.00). All amounts to be paid by Defendant shall be deposited into the Settlement Fund Account, which shall be administered by the Settlement Administrator. All amounts to be paid to anyone pursuant to this Settlement Agreement and Release shall be paid out of the Settlement Fund Account.

- a. Attorney's Fees. In full satisfaction of all claims Plaintiff may have for Attorney's Fees arising out of the Action, the Parties agree that Defendant agrees not to oppose an application for Attorney's Fees of up to one-third (33.33%) of the Maximum Settlement Amount or Seven Hundred Thousand Dollars and Zero Cents (\$700,000.00) subject to Court approval. Defendant agrees not to oppose Plaintiff's application for Attorney's Fees not to exceed this sum. The Attorney's Fees to be awarded to Plaintiff are subject to the approval of the Court and will be paid only from the Maximum Settlement Amount. Any portion of the Attorney's Fees not awarded to Plaintiff's Counsel will be added to the Net Settlement Amount. Plaintiff understands and agrees that this Settlement Agreement and Release shall remain in full force and effect even if the full amount of Attorney's Fees identified herein is not awarded by the Court. Plaintiff may appeal the Court's order on Attorney's Fees so long as, other than the timing of the disbursements of the settlement proceeds, the appeal will not affect the remaining terms of this Settlement and this Settlement Agreement and Release.
- b. Attorney's Costs. In full satisfaction of all claims Plaintiff may have for litigation costs and expenses arising out of the Action, the Parties agree that Defendant will not oppose an application for Attorney's Costs of up to Thirty Thousand Dollars and Zero Cents (\$30,000.00) subject to Court Approval. Defendant agrees not to oppose Plaintiff's application for Attorney's Costs not to exceed this sum. The Attorney's Costs to be awarded to Plaintiff are subject to the approval of the Court and will be paid only from the Maximum Settlement Amount. Any portion of the Attorney's Costs not awarded to Plaintiff's Counsel will be added to the Net Settlement Amount. Plaintiff understands and agrees that this Settlement Agreement and Release shall remain in full force and effect even if the full amount of Attorney's Costs identified herein is not awarded by the Court.

Plaintiff may appeal the Court's order on Attorney's Costs so long as, other than the timing of the disbursements of the settlement proceeds, the appeal will not affect the remaining terms of the Settlement and this Settlement Agreement and Release.

- c. Settlement Administration Costs. The Parties agree the Settlement Administrator will be ILYM Group Inc. who has provided an estimated cost for settlement administration not to exceed \$19,990.00. The Settlement Administration Costs to be paid to the Settlement Administrator are subject to the Court's approval and will be paid only from the Maximum Settlement Amount. Any portion of the Settlement Administration Costs not awarded by the Court will be added to the Net Settlement Amount.
- d. Plaintiff's Incentive Payment. The Parties agree that Defendant will not oppose Plaintiff's request for an Incentive Payment of Five Thousand Dollars and No Cents (\$5,000.00). The Incentive Payment is in addition to whatever monetary settlement Plaintiff is entitled to recover from the Net Settlement Amount as a PAGA Employee. Any amount of the Incentive Payment not approved by the Court shall become part of the Net Settlement Amount.
- e. Payment to the LWDA. The Parties agree that seventy-five percent (75%) of the Net Settlement Amount (which is currently estimated to be \$1,008,757.50 and which will be increased by seventy-five percent (75%) of any un-awarded Attorney's Fees, Attorney's Costs, Plaintiff's Incentive Payment and Settlement Administration Costs which are to be added back to the Net Settlement Amount under the terms of this Settlement Agreement and Release) – will be paid to the LWDA. The remaining twenty-five percent (25%) of the Net Settlement Amount (which is currently estimated to be \$336,252.50) and which will be increased by twenty-five percent (25%) of any un-awarded Attorney's Fees, Attorney's Costs, Plaintiff's Incentive Payment and Settlement Administration Costs which are to be added back to the Net Settlement Amount under the terms of this Settlement Agreement and Release– will be paid to all PAGA Employees pursuant to the calculation method set forth in Section C(13), below.

3. PAGA Employees' Release. Upon the remittance of the Maximum Settlement Amount by Defendant to the Settlement Administrator, Plaintiff, on behalf of himself, the State of California, and all PAGA Employees, releases the Released Parties from the Released Claims. This release shall be effective for the period from March 18, 2019, through the date of Settlement approval by the Court (the "Settlement Period"). PAGA Employees may discover facts in addition to those they now know or believe to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, PAGA Employees shall be deemed to have, and by operation of the Settlement Approval Court order shall have, fully, finally, and forever settled and released any and all of the Released Claims, without regard to the subsequent discovery or existence of such different or additional facts. PAGA Employees may not to sue or otherwise make a claim against any of the Released Parties that seeks recovery for any of the Released Claims. It is the intent of the Parties that the Settlement approval order entered by the Court shall have full *res judicata* effect and be final and binding upon PAGA Employees regarding the Released Claims. However, other than as to Plaintiff, this Settlement shall not impact PAGA Employees ability to assert Labor Code claims other than PAGA claims, including claims for unpaid wages. In light of the binding nature of a PAGA judgment on non-party employees pursuant to *Arias v. Sup. Ct. (Angelo Dairy)* (2009) 46 Cal.4th 969 and

Cardenas v. McLane Foodservice, Inc. (2011) 796 F.Supp.2d 1246, individuals otherwise meeting the definition of a PAGA Employee who are eligible to receive a payment of the Individual Settlement Share of the Net Settlement Amount shall be deemed to have released the Released Claims regardless if the check is cashed or not.

C. Settlement Administration Procedures

1. Settlement Approval Motion. Following full execution of this Settlement Agreement and Release, Plaintiff's Counsel will prepare all papers needed for Court approval of this Settlement ("Settlement Approval"). The Parties agree to cooperate to promote participation in this Settlement and in seeking Court approval of this Settlement, including working cooperatively to address any questions raised by the Court and making any amendments required by the Court. Defendant further agrees that it will not oppose Plaintiff's motion for approval of this Settlement, but reserves the right to file briefing, if clarification is needed and the Parties are unable to resolve their differences concerning same prior to Plaintiff's filing of the motion for settlement approval. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for approval. In conjunction with such hearing, Plaintiff's Counsel will present this Settlement Agreement and Release to the Court and will request that the Court issue a Settlement Approval Order and Judgment (substantially in the form of the proposed Settlement Approval Order and Judgement attached hereto as **Exhibit B**) approving and incorporating by reference the terms and conditions of the Settlement Agreement and Release. Plaintiff will also promptly submit the Settlement Agreement and Release to the LWDA as required by the PAGA statute. Defendant agrees not to oppose Plaintiff's motion for Settlement Approval unless the motion is inconsistent with the terms set forth in this Settlement Agreement and Release. Defendant shall not oppose the application to be made for Attorney's Fees and Costs consistent with Paragraphs 2(a), (b) and 8.

2. No Right of PAGA Employees to Object or Opt-Out. The Parties agree there is no statutory right for any PAGA Employee to object, opt out or otherwise exclude himself or herself from this Settlement. Except as otherwise stated, the Parties will vigorously defend against any attempt by any PAGA Employee to intervene in this matter or object to/opt-out of this Settlement.

The Parties agree that the settlement of this Action will not be final until any pending or threatened attempt to intervene is fully resolved. The Parties further agree there is no right or opportunity for any PAGA Employee to appeal the approval of this Settlement by the Court. The Parties will jointly defend against any appeal filed with respect to the Settlement Approval Order and Judgment.

3. LWDA Notice. Pursuant to California Labor Code § 2699(f), Plaintiff will provide a copy of this Settlement to the LWDA concurrently with the filing of the motion for Settlement Approval. Plaintiff will also file a declaration in support of his motion for Settlement Approval confirming that he has submitted the Settlement to the LWDA in compliance with Labor Code § 2699(f).

4. Judgment and Continued Jurisdiction. After entry of the Settlement Approval Order and Judgment, the Court will have continuing and exclusive jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of this Settlement; (b) matters relating to the administration of this Settlement; and (c) such post-Judgment matters as may be appropriate under Court rules or as set forth in this Settlement Agreement and Release.

5. Settlement Administrator. Upon approval of the Court, ILYM Group will be retained as the third-party Settlement Administrator to administer this Settlement. The Settlement Administrator will be responsible for: establishing the Settlement Fund Account; calculating Individual Settlement Shares; preparing, printing, and mailing the Individual Settlement Share checks and accompanying Notice to PAGA Employees; disbursing payment of Attorney's Fees and Attorney's Costs to Plaintiff's Counsel; disbursing payment to the LWDA consisting of seventy-five percent (75%) of the Net Settlement Amount; printing and providing PAGA Employees, Plaintiff, and Plaintiff's Counsel with IRS Forms 1099 as required under this Settlement Agreement and Release and applicable law; providing a due diligence declaration for submission to the Court upon completion of the terms of this Settlement; and for such other tasks as the Parties mutually agree or the Court orders. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities, and shall not mail any payments to Plaintiff, the LWDA, Plaintiff's counsel or any PAGA Employee until the amounts are approved by the Parties. Any legally mandated tax reports, tax filings, or other tax documents required by the administration of this Settlement shall be prepared by the Settlement Administrator. Any expenses incurred in connection with such preparation shall be part of the Settlement Administration Costs.

6. Aggrieved Employee List. No later than thirty (30) calendar days after the date on which the Court enters the Settlement Approval Order and Judgement, Defendant shall provide the Settlement Administrator with a Microsoft Excel spreadsheet containing the following information for each PAGA Employee: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee of Defendant in the State of California; (6) total Pay Periods worked during the PAGA Period; and (7) any other information, including the Pay Period Value per the calculation in Section C(13), below. This is a material term of this Settlement, and if Defendant fails to comply, Plaintiff shall have the right to void this Settlement. The Aggrieved Employee List (including all Individual Settlement Share calculations) shall be used solely for the administration of this Settlement and for no other purpose, and shall not be shared with Plaintiff's counsel or any persons or entity not employed by the Settlement Administrator and working on the administration of this Settlement. Because PAGA Employees' sensitive personal information is included in the Aggrieved Employee List, the Settlement Administrator shall maintain the Aggrieved Employee List securely and in confidence, maintaining the strictest standards of data privacy.

7. Funding of this Settlement. Within fourteen (14) court days following the Effective Date, Defendant shall fund this Settlement by delivering the funds to the Settlement Administrator.

8. Payment of Attorney's Fees and Attorney's Costs. The Settlement Administrator shall pay from the Settlement Fund Account the Court-approved Attorney's Fees and Attorney's Costs to Plaintiff's Counsel. Plaintiff's Counsel agrees to provide the Settlement Administrator with an executed IRS Form W-9 before payments for Attorney's Fees and Attorney's Costs are issued. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff's Counsel for the payments made pursuant to this paragraph.

Neither Plaintiff's Counsel nor any other current or past counsel for Plaintiff shall be permitted to petition the Court for, or to accept, any additional payments for attorney's fees, costs, interest, or any other amount from Defendant except as specified above. Defendant's payment of the Attorney's Fees and Attorney's Costs shall constitute full satisfaction of the obligation to pay any amounts to any person, attorney, or law firm, including but not limited to

Plaintiff's Counsel, or attorney's fees, expenses, and/or costs in the Action incurred by any other attorney or law firm for attorney's fees, expenses, and/or costs to which any of them may claim to be entitled on behalf of Plaintiff and/or PAGA Employees. The Parties further agree that Plaintiff's Counsel's Attorney Fees and Attorney's Costs shall be for all attorney's fees, expenses, and/or costs, present and future, incurred in the Action by all attorneys working on behalf of Plaintiff and/or PAGA Employees.

9. Payment of Plaintiff's Incentive Payment. The Settlement Administrator shall pay from the Settlement Fund Account the Court-approved Plaintiff's Incentive Payment to Plaintiff. Plaintiff agrees to provide the Settlement Administrator with an executed IRS Form W-9 before payment for Plaintiff's Incentive Payment is issued. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for the payments made pursuant to this paragraph.

10. Settlement Administration Costs. The Settlement Administrator shall pay from the Settlement Fund Account the Court-approved Settlement Administration Costs.

11. Payment to LWDA. The Settlement Administrator shall issue from the Settlement Fund Account a check payable to the LWDA for seventy-five percent (75%) of the Net Settlement Amount.

12. Individual Settlement Shares. Within ten (10) business days following the Funding of this Settlement, the Settlement Administrator shall issue from the Settlement Fund Account Individual Settlement Shares based on the twenty-five percent (25%) of the Net Settlement Amount to PAGA Employee's last known mailing address. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any checks returned as non-deliverable on or before the Void Date will be sent promptly via regular First Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip trace, or other search using the name, address or social security number of the PAGA Employee involved, and will then perform a single re-mailing. Any check re-mailings will not extend the 180-day period to cash a check. Any checks issued to PAGA Employees shall remain valid and negotiable for one hundred and eighty (180) calendar days from the date of their issuance and then shall become void on the 181st day after issuance, *i.e.*, the Void Date. The Parties agree that, within fourteen (14) calendar days after the Void Date, any unclaimed funds in the Settlement Fund Account as a result of the failure to cash Individual Settlement Share checks prior to the Void Date shall be forwarded to the Controller of the State of California pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et seq.*, to be held in trust for those PAGA Employees who did not timely cash their Individual Settlement Share checks. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as all payments to PAGA Employees will be paid out, whether or not these individuals cash their Individual Settlement Share checks. Therefore, Defendant will not be required to pay any interest on such amounts.

13. Calculation of Individual Settlement Shares. Each PAGA Employee's Individual Settlement Share will be determined by converting the PAGA Employee Fund into a Pay Period Value. The Pay Period Value will be established by dividing the PAGA Employee Fund by all Pay Periods worked by PAGA Employees during the PAGA Period. The Pay Periods worked by PAGA Employees during the PAGA Period will be determined according to the pay periods worked during the PAGA Period by non-exempt employees in California by using Defendant's records. The Individual Settlement Share for each PAGA Employee will be determined by

multiplying the Pay Period Value by each PAGA Employee's individual worked pay periods during the PAGA Period.

14. Tax Treatment of Individual Settlement Shares. One hundred percent (100%) of each Individual Settlement Share shall be allocated to miscellaneous income for which an IRS Form 1099 will issue, if required by law.

15. Administration of Taxes. The Settlement Administrator will be responsible for issuing to Plaintiff, PAGA Employees, and Plaintiff's Counsel Form 1099s or other tax forms as may be required by law for all amounts paid pursuant to this Settlement, and for forwarding all penalties to the appropriate government authorities.

16. Certification of Completion. Upon completion of administration of this Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties. Plaintiff's Counsel shall file this declaration with the Court within seven (7) calendar days of receipt.

D. Miscellaneous Provisions

1. No Effect on Employee Benefits. Amounts paid to Plaintiff and other PAGA Employees pursuant to this Settlement Agreement and Release do not count as earnings or compensation for purposes of any benefits (e.g., 401(k) plans or retirement plans) sponsored by Defendant.

2. Tax Liability. The Parties make no representation as to the tax treatment or legal effect of the payments called for hereunder, and the Parties are not relying on any statement, representation, or calculation by any of the Parties or by the Settlement Administrator in this regard. Plaintiff understands and agrees that he will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein to him, individually, and will hold Plaintiff's Counsel, Defendant, the Released Parties, Defense Counsel, and the Settlement Administrator free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages. Each Party to this Settlement (for purposes of this section, the "Acknowledging Party" and each Party to this Settlement Agreement and Release other than the Acknowledging Party, an "other Party") acknowledges and agrees that: (a) no provision of this Settlement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor will any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended); (b) the Acknowledging Party (i) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Settlement, (ii) has not entered into this Settlement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (iii) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and (c) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement Agreement and Release.

3. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported

to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

4. No Pending Lawsuits By Plaintiff. Other than this Action, Plaintiff represents that he does not have any pending lawsuits, administrative complaints, or charges against Defendant or the Released Parties in any local, state, or federal court or administrative agency. Plaintiff further acknowledges that all claims raised therein, if any, shall be fully and finally extinguished by virtue of this Settlement Agreement and Release and the Settlement Approval Order and Judgment.

5. Exhibits Incorporated by Reference. The terms of this Settlement Agreement and Release include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement Agreement and Release are an integral part of this Settlement.

6. Entire Agreement. This Settlement Agreement and Release and any attached Exhibits constitute the entirety of the Parties' settlement terms with respect to the Released Claims, and no oral or written representations, warranties or inducements have been made to any Party concerning this Settlement Agreement and Release or its Exhibits other than the representations, warranties and covenants contained and memorialized in this Settlement Agreement and Release and its Exhibits.

7. Amendment or Modification. This Agreement may be amended or modified only by a formal written instrument signed by counsel for all Parties or their successors-in-interest.

8. Authorization to Enter Into Settlement Agreement. The Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and Release and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement and Release to effectuate its terms. The person or persons signing this Settlement Agreement and Release on behalf of Defendant represent and warrant that he is authorized to sign this Settlement Agreement and Release on behalf of Defendant. Plaintiff represents and warrants that he is authorized to sign this Settlement Agreement and Release and that he has not assigned any claim covered by this Settlement to a third party.

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

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

11. California Law Governs. All terms of this Settlement Agreement and Release and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

12. Execution and Counterparts. This Settlement Agreement and Release is subject only to the execution of all Parties. However, this Settlement Agreement and Release may be

executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

13. Acknowledgement that this Settlement is Fair, Adequate and Reasonable. The Parties believe this Settlement Agreement and Release is a fair, adequate and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations facilitated by an experienced wage and hour class action mediator, and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness, adequacy and reasonableness of this Settlement.

14. Waiver of Certain Appeals. In the event the Court grants Approval of this Settlement, the Parties agree to waive appeals concerning this Settlement.

15. Captions. The captions and paragraph numbers in this Settlement Agreement and Release are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement and Release.

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

17. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement and Release, and that this Settlement Agreement and Release has been executed with the consent and advice of counsel, and reviewed in full. Further, Plaintiff and Plaintiff's Counsel warrant and represent that there are no liens on this Settlement Agreement and Release.

18. Disputes, Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement and Release. If the Parties are unable to reach agreement on the form or content of any document needed to implement this Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, any dispute between the Parties as to the remaining terms of this Settlement, shall be submitted to Jeffrey Ross, whose decision shall be final and binding on the Parties hereto.

19. Publicity. Plaintiff and his Counsel agree not to issue a press release or otherwise notify the media about the terms of this Settlement or advertise or market any of the terms of this Settlement through written, recorded, or electronic communications. In addition, Plaintiff's Counsel will not put details about this Settlement on their website. However, this will not prevent Plaintiff's Counsel from undertaking required submissions and disclosures that are required to obtain approval of this Settlement, including and not limited to, submission of this Settlement to the LWDA in conformity with the PAGA statute. Additionally, nothing herein shall be construed to prevent Plaintiff's Counsel from referring to this Settlement in connection with other litigation for the purpose of establishing their adequacy as counsel or to justify an award of attorney's fees.

20. Adequacy of Consideration. The Parties agree that the consideration described herein constitute adequate consideration for this Settlement and releases described herein.

21. Court Approval. If the Court fails to approve this Settlement for any reason, this Settlement shall be considered void *ab initio* and shall be of no force or effect whatsoever, and shall not be referred to or utilized for any purpose whatsoever. However, in the event this Settlement is not approved by the Court, the Parties agree to attend mediation with Jeffrey Ross again in an effort to reach a settlement approved by the Court.

22. Binding Agreement. In the event that any Party breaches any terms of this Settlement and an action is brought to enforce the terms of this Settlement, the prevailing party in any enforcement action shall be entitled to recover their attorneys' fees and costs. The Court shall have jurisdiction to enforce the terms and conditions of the Settlement pursuant to Code of Civil Procedure 664.6 upon noticed motion of any party.

23. Notices. Unless otherwise specifically provided, all notices, demands or other communications in connection with this Settlement Agreement and Release shall be: (a) in writing; (b) deemed given on the third business day after mailing; and (c) sent via United States registered or certified mail, return receipt requested, addressed as follows:

To Plaintiff:	To Defendant:
Heather Davis, Esq. Amir Nayebdadash, Esq. Protection Law Group 237 California Street El Segundo, CA 90245	Rebecca Aragon, Esq. Helen Braginsky, Esq. Littler Mendelson, P.C. 633 West Fifth Street, 63rd Floor, Los Angeles, CA 90071

It is hereby agreed.

Dated: 12/15/2021 _____

PLAINTIFF

DocuSigned by:



66C0448EE1CC42C

Fernando Salguero

DEFENDANT

Dated: December 14, 2021 _____



By: Killol Amin
Its: General Counsel

Approved as to form:

Dated: December 15, 2021

Protection Law Group



Heather Davis, Esq.
Amir Nayebdadash, Esq.
Attorneys for Plaintiff Fernando Salguero

Dated: December 14, 2021

Littler Mendelson, P.C.



Rebecca Aragon, Esq.
Helen Braginsky, Esq.
Attorney for Defendant Collabera, Inc.