

PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698, *ET SEQ.*)

SETTLEMENT AND RELEASE AGREEMENT

Araceli Sanchez v. Emerald Textiles Services, San Diego, LLC, et al.
Santa Clara Superior Court, Case No. 20CV365245

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that settlement shall be effectuated upon and subject to the following terms and conditions. Capitalized terms used herein shall have the meanings set forth in Section 1 or elsewhere in this Private Attorneys General Act (Labor Code § 2698, *et seq.*) Settlement and Release Agreement (“PAGA Agreement” or “Settlement”).

This PAGA Agreement is made by and between Emerald Textiles Services, Northern California, LLC, Emerald Textiles Services, San Diego, LLC, Oceanside Laundry, LLC, and Emerald Los Angeles, LLC (together “Defendants”) and Plaintiffs Araceli Sanchez, Maribel Arteaga Rodriguez and Johnny Rivas (collectively “Plaintiffs”), for themselves and on behalf of the State of California and other aggrieved employees pursuant to the California Private Attorneys General Act (“PAGA”) (Defendants and Plaintiffs, as defined herein, are sometimes collectively referred to as the “Parties”).

The Parties agree that the Actions (as defined below) shall be, and hereby are, ended, settled, resolved, and concluded by this PAGA Agreement, which is intended to effect and complete settlement of the Actions.

Section 1. Definitions.

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

- (a) “Actions” means the following actions entitled *Araceli Sanchez v. Emerald Textiles Services, San Diego, LLC, et al.*, pending in Santa Clara Court, Case No., 20CV365245 (the “Sanchez Action”), *Maribel Arteaga Rodriguez v. Emerald Textiles Services, San Diego, LLC*, pending in San Diego Superior Court, Case No. 37-2021-00040024-CU-OE-CTL (the “Rodriguez Action”), and *Johnny Rivas v. Oceanside Laundry, LLC, et al.*, pending in Los Angeles Superior Court, Case No. 22STCV21710 (the “Rivas Action”).
- (b) “Court” means the Superior Court for the State of California, County of Santa Clara presiding over the Sanchez Action.
- (c) “Defense Counsel” means:

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- (d) "Effective Date" shall be when all of the following events have occurred: (i) this PAGA Agreement has been executed by Plaintiffs, Defendants, Plaintiffs' Counsel and Defendants' Counsel; (ii) notice of the Settlement has been sent to the LWDA; (iii) the Court has approved the Settlement; (iv) the Court has entered the Court's Final Order and Judgment; and (v) the latest of the following events: (a) when the period for filing any appeal, writ or other appellate proceeding opposing the settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; (b) when any appeal, writ or other appellate proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or (c) when any appeal, writ or other appellate proceeding has upheld the Court's Final Order and Judgment with no right to pursue further remedies or relief. If the Court declines to approve the settlement, the Parties will work in good faith efforts to address the Court's concerns. If, after the Parties have exhausted all good faith efforts to obtain approval of the Settlement Agreement, the Court declines to approve the Settlement, the entire Settlement Agreement is deemed void and unenforceable as if no Settlement of any claim was ever reached. All negotiations, statements and proceedings and data relating thereto shall be protected by California Evidence Code §1152 and shall be without prejudice to the rights of any of the Parties. The Effective Date cannot occur, and Defendants will not be obligated to fund this Gross PAGA Settlement Fund, until and unless there is no possibility of an appeal or further appeal that could potentially prevent this Settlement from becoming final and binding.

- (e) “Gross PAGA Settlement Fund” means the maximum sum of Nine Hundred and Thirty Thousand Dollars and Zero Cents (\$930,000.00) Defendants have agreed to pay pursuant to Section 3, below. Except as expressly set forth in Section 3 below, Defendants shall not be required to pay any additional monies beyond the Gross PAGA Settlement Fund.
- (f) “Individual PAGA Payment” is the amount in Labor Code Section 2699 penalties to be paid to PAGA Members, which will be 25% of the Net Settlement Amount, unless the Court determines otherwise.
- (g) “LWDA” means the State of California, Labor and Workforce Development Agency.
- (h) “LWDA Letters” means the PAGA notices submitted by Plaintiffs to the Labor and Workforce Development Agency on March 18, 2020, September 18, 2021 and July 2, 2022.
- (i) “LWDA Payment” is the amount in Labor Code Section 2699 penalties to be paid to the LWDA, which will be 75% of the Net Settlement Amount, unless the Court determines otherwise.
- (j) “Net Settlement Amount” means the amount remaining from the Gross PAGA Settlement Fund after the deduction of Attorneys’ Fees Payment, Litigation Cost Payment, Representative Enhancement Awards and Settlement Administration Costs.
- (k) “Operative Complaint” means the Second Amended Complaint in the Sanchez Action.
- (l) “PAGA Members” means the following:
 - a. Sanchez PAGA Member:

All non-exempt employees who worked at any time during the Sanchez PAGA Period for Oceanside Laundry LLC and/or Emerald Textiles Services, Northern California, LLC at its Turlock, Livingston or La Selva locations.
 - b. Rodriguez PAGA Member:

All non-exempt employees who worked at any time during the Rodriguez PAGA Period for Emerald Textiles Services, San Diego, LLC at its San Diego location.
 - c. Rivas PAGA Member:

All non-exempt employees who worked at any time during the Rivas PAGA Period for Emerald Los Angeles, LLC at its Los Angeles location.
- (m) “PAGA Period” means the following:
 - a. Sanchez PAGA Period

March 18, 2019 through the date the Court grants approval of the Settlement or September 8, 2023, whichever occurs first.

b. Rodriguez PAGA Period

September 18, 2020 through the date the Court grants approval of the Settlement or September 8, 2023 whichever occurs first.

c. Rivas PAGA Period

July 2, 2021 through the date the Court grants approval of the Settlement or September 8, 2023, whichever occurs first.

(n) “Plaintiffs’ Counsel” means:

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(o) “Released Claims” means the claims being released as described in Section 12.

(p) “Released Parties” includes Defendants and any of their past, present and future direct or indirect parents, subsidiaries, predecessors, successors and affiliates, as well as each of their past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendants. Should the Court take issue with the scope of this release as to unnamed entities, Plaintiffs and Plaintiffs’ Counsel agree to cooperate with Defendants’ counsel to add the entities named herein as Released Parties as named Defendants and/or to take reasonable steps in order to effectuate a release of these entities.

- (q) “Representative Enhancement” means the amount approved by the Court, not to exceed \$10,000, to each Plaintiff for their efforts to represent the PAGA Members.
- (r) “Settlement Administrator” means Phoenix Class Action Administration Solutions, a third-party administrator who shall administer the settlement in accordance with this Agreement. The costs of the Settlement Administrator to perform its duties under this Agreement are currently estimated not to exceed \$26,500.00 (“Settlement Administration Costs”).

Section 2. Background.

- (a) The Plaintiffs in the Actions allege causes of action for (1) failure to pay minimum and overtime wages; (2) failure to provide meal and rest breaks; (3) failure to provide accurate wage statements; (4) failure to timely pay final wages; (5) failure to reimburse business expenses; (6) failure to maintain accurate records of hours worked; (7) failure to pay vacation wages at termination; and (8) failure to pay all wages earned two times per month.
- (b) Following exchange and extensive review of relevant documents and data, on July 10, 2023, the Parties participated in a full-day mediation with experienced wage and hour class action/representative action mediator Gig Kyriacou, Esq. which resulted in a settlement.
- (c) The Parties believe and agree this PAGA Settlement provides for a fair, adequate, and reasonable resolution of the Actions.
- (d) The Parties understand, acknowledge, and agree this Agreement constitutes a compromise of the Released Claims. It is also the desire and intention of the Parties to implement a final and complete resolution of the Actions.
- (e) This PAGA Agreement contemplates (1) entry of an Order by the Court approving this PAGA Settlement; (2) an Order entering PAGA Judgment; and (3) all parties bearing their respective fees and costs except as expressly provided in this PAGA Settlement.

Section 3. Terms of Agreement.

- (a) Operative Complaint. As a condition of this PAGA Settlement, Plaintiffs shall file a Second Amended Complaint in the Sanchez Action to add Maribel Arteaga Rodriguez and Johnny Rivas as named Plaintiffs, to name all Defendants named in the Rodriguez Action and Rivas Action who allegedly jointly employed the Aggrieved Employees, to allege the claims asserted in the Rodriguez and Rivas Actions and their compliance with the administrative prerequisites under PAGA, and to incorporate Plaintiff Rodriguez and Plaintiff Rivas’ PAGA letters to the LWDA prior to seeking approval of the PAGA Settlement and which shall be the Operative Complaint. Defendants will be permitted to file an Answer within 30 days, and the Parties will jointly seek an immediate vacation or stay of pending dates, pending approval by the Court of this PAGA Settlement.
- (b) Stay of Rodriguez and Rivas Actions. As a condition of this PAGA Settlement, the Parties agree to exercise best efforts to stay the Rodriguez Action and the Rivas Action pending

approval of this PAGA Settlement and the Effective Date of the same, including, but not limited to, filing a stipulation or motion in each of those cases seeking a stay of the case. Further, Plaintiffs agree to take all steps necessary to dismiss the Rodriguez Action and the Rivas Action with prejudice as to their individual PAGA claims and without prejudice as to the PAGA Members, within five (5) days of the Effective Date.

- (c) Gross PAGA Settlement Fund. Defendants agree to pay Nine Hundred and Thirty Thousand Dollars and Zero Cents (\$930,000.00) as a full, complete and final settlement of the Actions. This sum includes the following: (i) the LWDA Payment; (ii) the Individual PAGA Payment; (iii) the Attorneys' Fees Payment (not to exceed 1/3 of the Gross PAGA Settlement Fund); the Litigation Cost Payment, as approved by the Court; (iv) the Settlement Administration Costs; and (v) any Representative Enhancement award to Plaintiffs approved by the Court. The Gross PAGA Settlement Fund is based on Defendants' representation to Plaintiffs' Counsel that the PAGA Members worked a total of 134,602 pay periods during the applicable PAGA Periods. Should the qualifying pay periods worked by the PAGA Members during the applicable PAGA Periods ultimately increase by more than 10% (i.e., by more than 13,460 pay periods), the Gross Settlement Fund will increase on a pro rata basis equal to the percentage increase in the number of pay periods worked by the PAGA Members during the applicable PAGA Periods above 10%.

Within 20 days after the Effective Date, Defendant will deposit the Gross PAGA Settlement Fund into the Qualified Settlement Fund established by the Settlement Administrator.

- (d) PAGA Payment Allocation. The Net Settlement Amount shall represent Labor Code Section 2699 penalties, of which 75% of the payment will be paid to the LWDA as the LWDA Payment and 25% will be paid to PAGA Members as Individual PAGA Payments, unless the Court determines otherwise. A reallocation of the Net Settlement Amount directed by the Court shall not be a basis for either side to void the agreement. The Settlement Administrator will issue Form 1099 misc., if applicable, to the PAGA Members for their share of the PAGA payments. The Individual PAGA Payment for each PAGA Member shall be allocated on a pro rata basis based on the number of payroll periods each PAGA Member worked during the applicable PAGA Period as a percentage of the total payroll periods worked by all PAGA Members during the PAGA Period. However, any PAGA Member who received wages during his/her employment with Defendants on a weekly basis will be credited with half (1/2) a pay period for each weekly pay period (i.e., one half of a "Pay Period Equivalent") and one (1) full Pay Period Equivalent in periods where he/she received wages during his/her employment with Defendants on a bi-weekly pay period during the applicable PAGA Period.
- (e) Fee Amount. Plaintiffs' Counsel shall request and be paid, subject to Court approval and after Defendants' receipt of completed IRS Forms W-9 from Plaintiffs' Counsel, an amount not to exceed one-third of the Gross PAGA Settlement Fund, i.e., (\$306,900) and costs/expenses as documented in Plaintiffs' Counsel's billing statements ("Litigation Cost Payment") from the Gross PAGA Settlement Fund, and Defendant will not oppose these requests. Any reduction in this payment by the Court is not grounds to void this PAGA

Agreement and any funds requested but not awarded as attorneys' fees or costs will become part of the Net Settlement Amount pursuant to the distribution terms of the PAGA Agreement or any terms imposed by the Court.

- (f) The Settlement Administrator will issue IRS Forms 1099 to Plaintiffs' Counsel as required by IRS regulations. Plaintiffs' Counsel shall bear full responsibility for the payment of any taxes or withholdings arising from the Attorneys' Fees Payment or Litigation Cost Payment. Such Attorneys' Fees Payment or Litigation Cost Payment shall include and satisfy all past and future fees and costs incurred, inclusive of any interest, to prosecute and settle the Actions and obtain the order of approval and judgment.
- (g) Settlement Administration Costs. The Settlement Administration Costs shall not exceed \$26,500, subject to Court approval, and shall include all costs of administering the settlement, including, but not limited to, all tax document preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with preparing, issuing and mailing any and all notices and other correspondence to PAGA Members; all costs and fees associated with communicating with PAGA Members, Plaintiffs' Counsel, and Defense Counsel; all costs and fees associated with computing, processing, reviewing, and paying payments to PAGA Members; costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; and any other cost and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this PAGA Agreement.
- (h) Except as expressly provided herein, Defendants and Plaintiffs shall each bear their own attorneys' fees and costs. However, in the event that any Party is required to bring an action to enforce or to seek a declaration of rights and obligations under this PAGA Settlement, the prevailing party in any such future action shall be entitled to an award of her or its reasonable attorneys' fees and costs.

Section 4. Cooperation.

The Parties agree to use their best efforts to expedite the preparation and submission of the settlement documents. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating to, or that are otherwise necessary to the approval of this PAGA Agreement.

Section 5. Submission to LWDA and Court Approval.

The Parties will seek to obtain Court approval of this PAGA Agreement by way of an unopposed motion to be filed by Plaintiffs' Counsel within 60 days of the full execution of the Parties' Memorandum of Understanding (i.e. September 16, 2023). Plaintiffs' Counsel shall prepare, file, and serve the Motion for Approval of the PAGA Settlement (which Defendant shall have an opportunity to review and comment upon before submission to the Court) and a proposed judgment and order (in a form to be mutually agreed upon by the Parties), which shall declare that Plaintiffs, the LWDA, and the PAGA Members (to the fullest extent allowed under law) are bound by the release of the Released Claims as defined in Section 12 and set forth herein. Because the

Operative Complaint is a PAGA action and Plaintiffs are pursuing the Operative Complaint on behalf of the State of California, no PAGA Members will have the right to opt out of the Settlement and the PAGA Members shall release their PAGA claims in their entirety. Plaintiffs' Counsel shall submit the PAGA Agreement and Motion to the Court and LWDA, as necessary under Labor Code § 2699(l) and any other applicable provision. Should either Party fail to act and/or facilitate submission of this PAGA Agreement for approval by the Court, the other party may seek to obtain court approval of the PAGA Agreement. The Court's approval of this PAGA Agreement shall be embodied in a written Order. Should the Court not grant approval of this PAGA Agreement, then the entirety of the PAGA Agreement shall be null and void, unless otherwise agreed upon in writing by the Parties.

Section 6. Notice to PAGA Members and Settlement Payment Procedures.

(a) List of PAGA Members:

1. No later than twenty (20) days after the Effective Date, Defendants shall provide the Settlement Administrator with a database of the PAGA Members (the "PAGA Members List"). The PAGA Members List shall include the following information: (1) the full name, and last known address and full social security number of all PAGA Members; and (2) the number of payroll periods worked by each PAGA Member indicating which pay periods were weekly and which biweekly during the applicable PAGA Period that PAGA Members were employed by Defendants and will deposit the full Gross PAGA Settlement Fund with the Settlement Administrator. This information shall be treated as and remain confidential and shall be used solely to manage the notice and settlement administration process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except as necessary to applicable taxing authorities, or pursuant to express written authorization of Defendants, the individual in question, or by order of the Court.
2. No later than thirty (30) calendar days after the Effective Date, the Settlement Administrator shall mail the Notice of PAGA Settlement and each Individual PAGA Payment to all PAGA Members by first-class United States mail, postage prepaid, to the last known address of each PAGA Member with directions to the Postmaster to forward the Notice and Individual PAGA Payment and return all undeliverable Notices and Individual PAGA Payments to the Settlement Administrator.
3. If a notice form is returned because of an undeliverable address, the Settlement Administrator shall conduct a skip trace to locate a correct address. There will be a search by the Claims Administrator, via U.S. Postal Service Records. A supplemental claims notice will be mailed to each PAGA Member whose notice is returned to the Settlement Administrator within five (5) calendar days of the Claims Administrator's receipt of the returned notice. All uncashed or undeliverable settlement checks will expire after 180 days. The sum value of all expired checks will be tallied by the Settlement Administrator.

4. All costs incurred by the Settlement Administrator in connection with the current settlement, whether foreseen or not, shall be paid out of the Gross PAGA Settlement Fund.

(b) Payment of PAGA Members Payment:

1. The Settlement Administrator shall calculate each PAGA Member's pro rata share of the Net Settlement Amount based on the number of pay periods worked in the applicable PAGA Period as described in Section 3(d) (the "Individual PAGA Payments"). The Settlement Administrator shall then distribute the Individual PAGA Payments to each PAGA Member, shall distribute the remaining PAGA Settlement Amount to the LWDA and shall distribute the Representative Enhancement payments to Plaintiffs, Attorneys' Fees Payment, Litigation Costs Payment, and Settlement Administration Costs and notice expenses approved by the Court.
2. The Individual PAGA Payments are considered penalties and will not be subject to local, state or federal tax withholdings. All PAGA Members who cash their settlement check may receive an IRS Form 1099 reflecting this portion of the settlement. PAGA Members shall be responsible for the proper payment of any employee-side taxes on the Individual PAGA Payments distributed to the PAGA Member.
3. The settlement checks issued to PAGA Members shall remain valid for one hundred eighty (180) days. Thereafter, all uncashed checks shall be voided and the funds represented thereby shall be paid to the State Controller Unclaimed Property Fund.
4. In no event will any funds or payment be due by Defendants prior to the Effective Date of this PAGA Agreement.

(c) LWDA Notice:

1. Pursuant to California Labor Code section 2699(l), Plaintiffs will provide a copy of this PAGA Agreement to the LWDA in connection with the LWDA's PAGA matters for Rivas, Sanchez, and Rodriguez concurrently with the filing of the Motion for settlement approval. Plaintiffs will also file a declaration in support of the Motion for Settlement Approval confirming that they have submitted the Agreement to the LWDA in compliance with Labor Code section 2699(l). In addition, Plaintiffs shall submit to the LWDA a copy of the Court's Judgment and Order approving the PAGA Agreement within ten (10) days after entry of the Judgment and Order.

Section 7. Disputes Relating to Settlement Administration.

Any disputes concerning administration of the settlement which cannot be resolved by the Parties shall be submitted to and resolved by the Court.

Section 8. Judgment.

Upon payment of the entire Gross PAGA Settlement Fund by Defendants and distribution of the Gross PAGA Settlement Fund by the Settlement Administrator in accordance with this PAGA Agreement, Plaintiffs and Defendants will jointly submit a Notice of Satisfaction of Judgment.

Section 9. No Admission of Wrongdoing.

This PAGA Agreement and compliance with the PAGA Agreement shall not constitute an admission by Defendants of any liability whatsoever, or an admission by Defendants of any violations of Plaintiffs' or PAGA Members' rights, violation of any order, law, statute, duty or contract whatsoever. Defendants specifically disclaim any liability to Plaintiffs or any other PAGA Member for any alleged violation of his/her rights, or for any alleged violation of any order, law, statute, duty or contract.

Section 10. Non-Evidentiary Use.

Neither this PAGA Agreement nor any of its terms shall be offered or used as evidence by any of the Parties, or their respective counsel in the Actions or in any other action or proceeding provided, however, this shall not prevent this PAGA Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this PAGA Agreement, including use by Defendants to attempt to establish that a PAGA Member or the LWDA has resolved or has been compensated for any claims made by that employee or the LWDA.

Section 11. Impact of Non-Approval by Court.

- (a) Should the Court not approve this PAGA Agreement in its entirety, the Parties shall request leave and work jointly to make reasonable efforts to remedy the settlement in order to obtain the Court's approval.
- (b) If the Court ultimately fails to approve this PAGA Agreement after the Parties' joint attempt to remedy the issues, or if the PAGA Agreement does not become final because of appellate court action, either Party may terminate this Settlement. The terminating Party shall give to the other Party (through its counsel) written notice of its decision to terminate no later than ten (10) calendar days after receiving notice that one of the enumerated events has occurred. Termination shall have the following effects:
 - i. The PAGA Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms.
 - ii. In the event the PAGA Agreement is terminated, Defendants shall have no obligation to make any payments to any party, PAGA Member or attorney.
 - iii. The approval Order and final judgment shall be vacated.
 - iv. The PAGA Agreement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions prior to the Settlement,

as if the PAGA Agreement had been neither entered into nor filed with the Court.

- v. Except as otherwise discoverable, neither this PAGA Agreement nor any ancillary documents, actions, statements or filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Actions or any other action for any purpose whatsoever.
- (c) Invalidation of any material portion of this PAGA Agreement shall invalidate this PAGA Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect. Material terms of this Agreement include: the definition of PAGA Members (Section 1(a)); the definition of Effective Date (Section 1(l)); the definition of PAGA Period (Section 1(m)); the definition of Released Claims (Section 1(o) and 12); the definition of Released Parties (Section 1(p)); the definition of Gross PAGA Settlement Fund (Section 1(3) and 3(c)); Plaintiffs' general release of claims (Section 12). The following terms are not material to this PAGA Agreement: the amount of the Attorneys' Fees Payment and Litigation Cost Payment awarded by the Court (Section 3(e)); the amount of the Settlement Administration Costs (Section 3(g)); and the allocation within the Net Settlement payment (Sections 3(d) and 6(b)).

Section 12. Releases.

Upon entry of final judgment and funding of the Gross PAGA Settlement Fund, Plaintiffs, on behalf of themselves, the State of California, and all PAGA Members, release the Released Parties from all claims for civil penalties under PAGA arising from the same facts alleged in the Operative Complaint and existing complaints as well as those included in all of Plaintiffs' LWDA Letters, or claims that were pled or that could have been pled based on the facts alleged in said complaints or LWDA Letters during the applicable PAGA period, including, but not limited to, the following:

- (a) Claims under the California Labor Code Sections 201-203, 204, 210, 226, 226.3, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2696, *et seq.*, 2699(f)(2) and 2802. The claims set forth in subparagraph (a) hereinabove shall be collectively referred to as the "Released Claims". The res judicata effect of the judgment will be the same as that of the release.

In addition to the released PAGA claims discussed above, and upon entry of final judgment and funding of the Gross PAGA Settlement Fund, Plaintiffs, for and on behalf of themselves and their agents, heirs, executors, administrators and assigns ("Releasing Parties") unconditionally waive, release and forever discharge the Released Parties from any and all claims, actions, causes of action, rights, suits, debts, contracts, obligations, agreements, proceedings, damages, charges, losses, and expenses (including attorneys' fees and costs) of any nature whatsoever, whether based in contract, statute or the common law, relating to any matters of any kind, whether known or unknown, suspected or unsuspected, that they may possess arising from any omissions, acts, and any and all events or facts that have occurred up until and including the date of the signing of this

Agreement, including without limitation: (i) any and all claims actually alleged or could have been alleged in connection with, or arising directly or indirectly out of or in any way connected with Plaintiffs' employment with Defendants or any of the Released Parties; (ii) any and all claims relating to or arising from Plaintiffs' relationship with the Released Parties and the termination of the relationship; (iii) any and all claims relating to unpaid wages, missed meal and rest periods, meal and rest break premiums, sick pay, vacation pay, calculation of bonuses or commissions, and any other form of compensation, and any and all penalties, including, but not limited to, waiting time penalties and penalties under Labor Code Section 226, and interest relating to such claims; (iv) any and all claims for wrongful discharge of employment; breach of contract, both expressed and implied; breach of covenant of good faith and fair dealing, both expressed and implied; negligent or intentional interference with contract or prospective economic advantage; and defamation; (v) any and all claims against the Released Parties for any other tort, contract, common law, constitutional or statutory claims, including, but not limited to, any alleged violation(s) of the California Labor Code, the federal Fair Labor Standards Act (except as prohibited by applicable law), the National Labor Relations Act, Title VIII of the Civil Rights Act of 1964 and the California Fair Employment and Housing Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act, as amended, the Employee Retirement Income Security Act of 1974, as amended, the federal Worker Adjustment Retraining Notification Act (as well as any counterpart), the Family and Medical Leave Act of 1993 (as well as any state counterpart), the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Equal Pay Act, the Affordable Care Act, the Uniformed Services Employment and Reemployment Rights Act, the Federal Hazardous Materials Regulations, the Fair Credit Reporting Act, the California Parental Leave Act, the California Paid Sick Leave Act, the Genetic Information Nondiscrimination Act of 1998, California Constitution Article 1 section 8, California's Industrial Welfare Commission Wage Orders, the Healthy Workplaces, Healthy Families Act of 2014, California Health and Safety Code sections 11161.8, 1276.5, 1278.5, 13337, *et seq.*, and 105100, *et seq.*, California Business and Professions Code sections 2725, 2750, *et seq.*, and 17200, *et seq.*, Title 22 of the California Code of Regulations, including, but not limited to, sections 72313, 72315 and 72501 ("Individually Released Claims").

Plaintiffs also waive any and all rights conferred upon them under Section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

This waiver is not a mere recital, but is a knowing waiver of rights and benefits. This is a bargained-for provision of the Agreement and is further consideration for the covenants and conditions contained herein.

Section 13. No Publicity.

Plaintiffs, Defendants, and their respective counsel will not make any public disclosure of the PAGA Agreement until the filing of the Motion for approval, unless required by law or for purposes of consulting with tax advisors. Plaintiffs, Defendants, and their respective counsel

represent that they have not made any such disclosure, unless required by law or for purposes of consulting with tax advisors. Notwithstanding the foregoing, the Parties agree that Defendants may make such disclosures as required by a governmental agency or due to other business necessity. Plaintiffs' Counsel will take all steps to ensure that Plaintiffs are aware of, and will encourage them to adhere to, the restriction against any public disclosure of this PAGA Agreement until after the Settlement is approved by the Court. Thereafter, PAGA Counsel and Plaintiffs agree that any publication of the terms of this Settlement with the media, including, but not limited to, any newspaper, journal, magazine, website and/or on-line reporter of settlements will be restricted to the amount of the settlement and refer to Defendants only as a "Service Industry Company" and will not use any portion of Defendants' or Released Parties' names. Notwithstanding the foregoing, PAGA counsel are not prevented from including the case information in future declarations related to their experience.

Section 14. Voluntaryness.

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm or other entity.

Section 15. Representations and Warranties.

Plaintiffs represent and warrant that they have the right and exclusive authority to execute this PAGA Agreement. Each Party to this PAGA Agreement also represents and warrants to, and agrees with, each other Party hereto as follows:

- (a) Each Party has carefully read and knows and understands the full contents of this PAGA Agreement and is voluntarily entering into this PAGA Agreement after having received independent legal advice from their or its attorneys with respect to the advisability of making the settlement provided for herein and the advisability of executing this PAGA Agreement.
- (b) Each Party to this PAGA Agreement has investigated the facts relevant to this settlement and this PAGA Agreement, and all matters pertaining thereto, to the fullest extent that each Party deems necessary.
- (c) Each separately-numbered section or paragraph in this PAGA Agreement is contractual, not merely a recital.
- (d) Each of the Parties has participated in the drafting of all provisions of this PAGA Agreement, has had an adequate opportunity to read, review, and consider the effect of the language of this PAGA Agreement, and has agreed to its terms.

Section 16. Amendments and Waiver.

This PAGA Agreement may not be changed, altered, or modified, except in writing signed by counsel for the Parties and approved by the Court. Any waiver of any provision of this PAGA Agreement shall not constitute a waiver of any other provision of this PAGA Agreement, unless expressly stated otherwise.

Section 17. Successors and Assigns.

None of the rights, commitments, or obligations recognized under this PAGA Agreement may be assigned by any Party, PAGA Member, Plaintiffs' Counsel, or Defense Counsel without the express written consent of each other Party and their respective counsel hereto. The representations, warranties, covenants, and agreements contained in this PAGA Agreement are for the sole benefit of the Parties under this PAGA Agreement, and shall not be construed to confer any right or to avail any remedy to any other person. Plaintiffs expressly warrant that they have not transferred to any person or entity any right or cause of action, or claim released by this PAGA Agreement.

Section 18. Governing Law.

This PAGA Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, and in all cases shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties hereto. The Court will retain continuing jurisdiction to enforce the PAGA Agreement.

Section 19. Entire Agreement.

This PAGA Agreement contains the entire understanding of the Parties hereto with respect to the subject matter contained herein. This PAGA Agreement supersedes all prior agreements and understandings among the Parties hereto with respect to the settlement of the Actions.

Section 20. Counterparts.

The Parties may execute this PAGA Agreement in counterparts, and execution of counterparts will have the same force and effect as if all Parties signed the same instrument. Facsimile or .pdf copies of any such signed counterparts may be used in lieu of the original for any purpose.

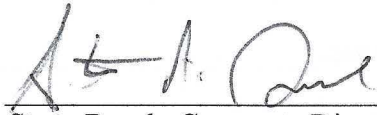
Section 21. Dispute(s).

Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this PAGA Agreement, the Parties agree to submit any such dispute(s) to the Court.

IN WITNESS WHEREOF, the Parties have executed this Private Attorneys General Act Settlement and Release Agreement on the date set forth.

APPROVED AND ACCEPTED.

Dated: 11/14/23, 2023


Steve Beach, Corporate Director HR,
Emerald Textiles

Dated: 11/14/2023, 2023

DocuSigned by:

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Araceli Sanchez

Dated: _____, 2023

Johnny Rivas

Dated: _____, 2023

Maribel Arteaga Rodriguez

Dated: November 14, 2023



Aegis Law Firm, PC
PAGA Counsel
On behalf of Plaintiff Sanchez and the
State of California

Dated: _____, 2023

Moon Law Group, APC
PAGA Counsel on behalf of Plaintiffs Rodriguez
and Rivas and the State of California

Dated: _____, 2023

Elizabeth Staggs Wilson
Counsel for Defendant Emerald Textiles Services,
Northern California, LLC and Emerald Textiles
Services, San Diego, LLC

Dated: _____, 2023

Alison Lynch
Counsel for Defendants Emerald Textiles Services,
San Diego, LLC, Oceanside Laundry, LLC, and
Emerald Los Angeles, LLC

Dated: _____, 2023

Araceli Sanchez

Dated: 11/17/2023 _____, 2023

DocuSigned by:



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Johnny Rivas

Dated: 11/28/2023 _____, 2023

DocuSigned by:



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Maribel Arteaga Rodriguez

Dated: _____, 2023

Aegis Law Firm, PC
PAGA Counsel
On behalf of Plaintiff Sanchez and the
State of California

Dated: November 28 _____, 2023



Moon Law Group, APC
PAGA Counsel on behalf of Plaintiffs Rodriguez
and Rivas and the State of California

Dated: _____, 2023

Elizabeth Staggs Wilson
Counsel for Defendant Emerald Textiles Services,
Northern California, LLC and Emerald Textiles
Services, San Diego, LLC

Dated: _____, 2023

Alison Lynch
Counsel for Defendants Emerald Textiles Services,
San Diego, LLC, Oceanside Laundry, LLC, and
Emerald Los Angeles, LLC

Dated: _____, 2023

Araceli Sanchez

Dated: _____, 2023

Johnny Rivas

Dated: _____, 2023

Maribel Arteaga Rodriguez

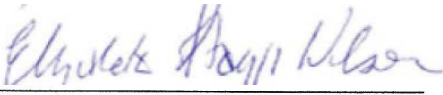
Dated: _____, 2023

Aegis Law Firm, PC
PAGA Counsel
On behalf of Plaintiff Sanchez and the
State of California

Dated: _____, 2023

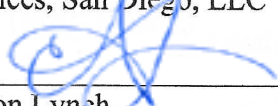
Moon Law Group, APC
PAGA Counsel on behalf of Plaintiffs Rodriguez
and Rivas and the State of California

Dated: November 22, 2023



Elizabeth Staggs Wilson
Counsel for Defendant Emerald Textiles Services,
Northern California, LLC and Emerald Textiles
Services, San Diego, LLC

Dated: August 14, 2023



Alison Lynch
Counsel for Defendants Emerald Textiles Services,
San Diego, LLC, Oceanside Laundry, LLC, and
Emerald Los Angeles, LLC

Dated: November 15, 2023



Elisa Nadeau
Counsel for Defendants Emerald Textiles Services,
Northern California, LLC, and Emerald Textiles
Services, San Diego, LLC