

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND LIMITED RELEASE

This Private Attorneys General Act Settlement Agreement and Release (“Agreement”) is made by and between Carlos Antonio Sorto Tejada (“Plaintiff”), on behalf of himself, on behalf of the PAGA Employees (as defined below), and as a proxy/agent for the California Labor Workforce Development Agency (“LWDA”), and Defendants Paramount Recovery Service and Steven A. Simons (“Defendants”), to resolve the Action and Released Claims, subject to the terms and conditions hereof and the approval of the Court. Plaintiff and Defendants are collectively referred to herein as the “Parties” and each may be individually referred to as a “Party.”

I. REPRESENTATIONS AND DEFINITIONS

1. “Action” mean and refer to the civil action filed in the Superior Court of the State of California for the County of Los Angeles, entitled *Carlos Antonio Sorto Tejada v. Paramount Recovery Service*, Case No. 20STCV18688, filed on May 13, 2020.

2. “Agreement” or “Settlement” means the arm’s-length settlement agreement reached between the Parties as set forth in this Private Attorneys General Act Settlement Agreement and Release, and the terms, conditions and requirements setforth herein, including any attached exhibits.

3. “Counsel for Defendants” means and refers to Gary R. Phillips and James R. Coelho of Phillips Law Partner, LLP.

4. “Court” means and refers to the Superior Court of California for the County of Los Angeles. Court shall also mean any other Court that acquires proper jurisdiction of this Action.

5. “Defendants” means and refers to Paramount Recovery Service and Steven A. Simons.

6. “Effective Date” means and refers to the date by which all of the following have occurred: (1) the Court has signed and entered the Approval Order and Judgment (as defined below), and (2) the Defendants have fully funded the Settlement.

7. “LWDA” means and refers to the California Labor and Workforce Development Agency.

8. “Operative Complaint” means and refers to: the First Amended Complaint, filed on July 30, 2020, in the Action.

9. “PAGA” means and refers to the Private Attorneys General Act of 2004, codified at California Labor Code § 2698, *et seq.*

10. “PAGA Employees” or singularly “PAGA Employee” means and refers to Plaintiff and all current and former non-exempt employees who worked for Defendants within the State of California during the PAGA Period.

11. “PAGA Period” means the time period from May 13, 2019 through May 23, 2022.

12. “Parties” means and refers to, collectively, Plaintiff and Defendants, and “Party” means and refers to Parties individually.

13. “Pay Periods” means and refers to the total number of pay periods that each PAGA Employee worked as a non-exempt employee for Defendants during the PAGA Period.

14. “Plaintiff” means Carlos Antonio Sorto Tejada.

15. “Plaintiff’s Counsel” means and refers to Kashif Haque, Samuel Wong, Jessica L. Campbell, and Kristy R. Connolly of AEGIS LAW FIRM, PC.

16. “Released Claims” means and refers to for civil penalties under the PAGA, California Labor Code § 2698, *et seq.*, that are based upon or arise from the factual allegations in the operative complaint in the Action and/or Plaintiff’s PAGA notice to the California Labor and Workforce Development Agency, arising during the PAGA Period, including for the failure to properly pay all minimum wages, overtime wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, provide accurate itemized wage statements, reimburse all business expenses, and timely pay all wages during employment and upon separation of employment, and for violation of and/or based on California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1198, 2800, 2802

17. “Released Parties” means and refers to Defendants and Defendants’ past and/or present, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, franchisees, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers

18. “Settlement Administrator” means and refers to Phoenix Settlement Administrators.

II. NATURE OF ACTION

1. On May 13, 2020, Plaintiff sent a letter to the LWDA and Defendants giving notice of his intent to pursue a representative action pursuant to the PAGA, on behalf of himself and the State of California, as well as on behalf of a proposed group of aggrieved employees. The letter is referred to as “Notice to the LWDA.”

2. On May 13, 2020, Plaintiff filed his Complaint as a class action lawsuit, alleging that, Defendants failed to: pay minimum wages, properly pay overtime wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, provide accurate itemized wage statements, reimburse all business expenses, timely pay all wages during employment and upon separation of employment as applied to non-exempt employees employed by Defendants in California. On July 30, 2020, Plaintiff filed the First Amended Complaint to add a cause of action under PAGA.

3. On February 19, 2021, Plaintiff sent an amended letter to the LWDA additional facts and theories.

4. After the case was filed, Defendants provided Plaintiff with an arbitration agreement that contained a class action waiver purportedly signed by Plaintiff. After reviewing the arbitration agreement, Plaintiff agreed to dismiss his individual and class claims without prejudice and proceed solely with the PAGA cause of action.

5. The parties engaged in significant investigation and exchange of data and documents, as well as private mediation that took place on February 26, 2021 with mediator Judge Lichtman. The Parties did not reach a settlement at mediation.

6. After mediation, on February 16, 2021, Plaintiff submitted an amended notice to the LWDA to clarify that he intends to seek penalties against Steve A. Simons under Labor Code section 558.1. On May 27, 2021 Plaintiff filed an Amendment to the Complaint which identified Steven A. Simons as Doe 1.

7. Plaintiff served additional written discovery and the Parties engaged in further settlement discussions and eventually reached the Settlement described herein.

8. This Settlement relates solely to the PAGA claims on behalf of Plaintiff and the State of California with respect to Plaintiff and all PAGA Employees. Defendants deny any liability or wrongdoing of any kind associated with the claims alleged in the Action, denies liability for the Released Claims, and further denies that the Action is appropriate for representative treatment for

any purpose other than settling this Action. Defendants contend, among other things, that they have complied at all times with the California Labor Code and the related Industrial Welfare Commission Wage Orders, all other state and federal wage laws, and further contends that all of their respective employees were and are paid properly and that the Action is without merit. Defendants have denied and continue to deny each and every material factual allegation and all alleged claims asserted against it in the Action.

9. The Parties recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay and expense disproportionate to the potential benefits of litigation. The Parties have taken into account the risk and uncertainty of the outcome inherent in any litigation.

10. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Agreement is fair, reasonable, adequate, and is in the best interests of Plaintiff, PAGA Employees, the State of California, and Defendants in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, Plaintiff's Counsel believes that the settlement amount entered into is in the best interests of the PAGA Employees and the State of California, and fair, reasonable, and adequate given the inherent risk of litigation.

III. TERMS OF SETTLEMENT

1. In consideration of the mutual covenants, promises and representations set forth in this Agreement, Plaintiff, on behalf of himself, the State of California, and all PAGA Employees, and Defendants agree to settle and compromise the Action and the Released Claims.

2. The Gross Settlement Amount. As consideration for the settlement described herein and the release provided herein, Defendants agree to pay the all inclusive total amount of Seventy Thousand Dollars and zero cents (\$70,000.00) ("Gross Settlement Amount"). Defendants shall fund the Gross Settlement Amount as set forth herein. The Gross Settlement Amount will include payments as follows, which Plaintiff will seek approval of from the Court, in conformity with this Agreement:

- a. Payment to the Settlement Administrator in the amount of up to Three Thousand Five Hundred Dollars and zero cents (\$3,500.00) ("Settlement Administration Costs");

- b. Payment of Plaintiff's Individual Settlement, as set forth herein;
- c. Payment of Attorneys' Fees and Costs to Plaintiff's Counsel, as set forth herein; and
- d. The PAGA Penalties to be paid to the LWDA and PAGA Employees, as set forth herein.

3. Plaintiff's Individual Settlement. Defendants will not oppose a request by the named Plaintiff for an individual settlement of up to \$5,000, to be deducted from the Gross Settlement Amount, in exchange for his service as the lead aggrieved employee plaintiff against Defendants and release of individual claims ("Individual Settlement Amount"). This Individual Settlement Amount is in addition to the payment to which Plaintiff is entitled to receive as an aggrieved employee. Even in the event that the Court reduces or does not approve the requested Individual Settlement, Plaintiff shall not have the right to revoke this Agreement, and it shall remain binding.

4. Pro Rata Increase. Defendants estimated the number of pay periods to be 5,000. If it is determined that the number of pay periods exceeds 5,000 by more than 10%, there will be a *pro rata* adjustment to the Gross Settlement Amount per additional pay period as follows: \$14.00 per additional pay period.

5. Allocation and Calculation of the PAGA Penalties. The amount available for distribution to the LWDA and PAGA Employees ("PAGA Penalties") is the Gross Settlement Amount less the Court-approved Attorneys' Fees and Costs to Plaintiff's Counsel, Plaintiff's Individual Settlement, and the Settlement Administration Costs to the Settlement Administrator. Seventy Five Percent (75%) of the PAGA Penalties will be paid to the LWDA ("LWDA Payment"), and Twenty Five Percent (25%) of the PAGA Penalties will be paid to the PAGA Employees ("Employee Amount"), as required by California Labor Code § 2699(i).

6. Allocation and Calculation of the Individual Settlement Payments. Each PAGA Employee will receive a *pro rata* portion of the Employee Amount, determined based on the pay periods that he or she worked for Defendants in the State of California during the PAGA Period, to be calculated as follows: the Employee Amount will be divided by the total number of Pay Periods of all PAGA Employees to yield the "Per Pay Period Amount," and then each PAGA Employee's individual number of Pay Periods will be multiplied by the Per Pay Period Amount to yield his or her "Individual Settlement Payment." Individual Settlement Payments shall be paid to

PAGA Employees by way of a single check to each PAGA Employee (“Individual Settlement Check”).

7. Tax Treatment of Individual Settlement Payments to PAGA Employees. The Parties agree that Individual Settlement Payments sent to PAGA Employees will be characterized One Hundred Percent (100%) as penalties and Form 1099s will be issued if required by law. Nothing in this Agreement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Plaintiff and PAGA Employees shall be deemed to acknowledge that they have not obtained any tax advice from Defendants, Counsel for Defendants, or Plaintiff’s Counsel, and that neither Defendants, Counsel for Defendants, nor Plaintiff’s Counsel have made any representation concerning the tax consequences, if any, of any payments made pursuant to this Agreement. To the extent that this Agreement or its attachment(s) are interpreted to contain or constitute advice regarding any U.S. or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Defendants’ share of payroll taxes, if any, will be paid by Defendants separate from and in addition to the NSA.

8. Plaintiff’s Counsel’s Attorneys’ Fees and Costs. As part of the request for approval of this Settlement, Plaintiff will request that the Court award the following to Plaintiff’s Counsel: up to one-third (1/3) of the Gross Settlement Amount, or Twenty-Three Thousand Three Hundred and Thirty-Three Dollars and Thirty-Three cents (\$23,333.33), for attorneys’ fees and of up to Seventeen Thousand Dollars and zero cents (\$17,000.00) for reimbursement of actual costs and expenses of litigating the Action (together, “Attorneys’ Fees and Costs”). The Attorneys’ Fees and Costs shall be paid from the Gross Settlement Amount, subject to approval by the Court. Should Plaintiff’s Counsel request a lesser amount for attorneys’ fees and costs and/or the Court approve a lesser amount, the difference shall be a part of the PAGA Penalties to be distributed to the LWDA and PAGA Employees as described above. Payment of Attorneys’ Fees and Costs will be reflected in a Form 1099 to Plaintiff’s Counsel who shall assume full responsibility and liability for the payment of taxes due on such payments.

9. No Effect on Employee Benefits. The payments made to Plaintiff and other PAGA Employees pursuant to this Agreement are not intended to count as earnings by Plaintiff or the PAGA Employees, and will not entitle Plaintiff or the PAGA Employees to any additional compensation and/or benefits under any retirement, benefit, bonus, incentive, pension, welfare, and/or any other plan of or sponsored by Defendants. Defendants shall not make as part of this Agreement, nor be required to make, any deductions, nor pay any monthly contributions for any insurance, retirement, bonuses, 403(b), or profit sharing plans related to monies paid as a result of

this Agreement. The Individual Settlement Payments paid to PAGA Employees shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g. bonuses, vacation, holiday pay, retirement plans, etc.) of PAGA Employees. The Parties agree that any Individual Settlement Payments paid to PAGA Employees under the terms of this Agreement do not represent any modification of PAGA Employees' previously credited hours of service or other eligibility criteria under an employee benefit plan sponsored by Defendants. Further, any Individual Settlement Payments are penalties and thus shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, and employee benefit plan or bonus plan sponsored by Defendants.

IV. RELEASE OF CLAIMS

1. Release by Plaintiff, State of California, and PAGA Employees. Upon the Effective Date, Plaintiff, the State of California, and each PAGA Employee, shall fully release and forever discharge Released Parties from the Released Claims during the period from May 13, 2020 through May 23, 2022.

2. It is understood and agreed that this Agreement neither releases the Released Parties from liability, if any, to PAGA Employees for violations of any predicate statutes other than PAGA, nor effects a waiver of claims by PAGA Employees against the Released Parties for the same.

3. Release by Plaintiff. Upon the Effective Date, Plaintiff, individually and on behalf of his heirs, executors, administrators, representatives, attorneys, successors and assigns, shall fully release and forever discharge Released Parties, to the full extent permitted by law, from any and all claims of every nature whatsoever, known or unknown, suspected or unsuspected, which Plaintiff has or may have as of the Effective Date. This broader release includes, but is not limited to, all claims arising directly or indirectly from Plaintiff's employment with Defendants and the termination of that employment, arising on or before the Effective Date, including without limitation claims arising under federal, state or local laws and claims for unpaid wages, penalties, liquidated damages, breach of contract, breach of the implied covenant of good faith and fair dealing, infliction of emotional distress, wrongful or retaliatory discharge, harassment, discrimination, defamation, impairment of economic opportunity, and violations of public policy, the Fair Labor Standards Act, the California Labor Code, the California Fair Employment and Housing Act, the California Business and Professions Code, the California Constitution, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff

acknowledges and waives any and all rights and benefits available under California Civil Code Section 1542, which provides:

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.

4. Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by them to exist may hereafter be discovered. It is Plaintiff's intention to settle fully and release all claims he has against the Released Parties, arising on or before the Effective Date, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

V. DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

1. Settlement Approval by Court. The Parties recognize that Court approval is required in the event of any settlement of a PAGA action, in accordance with California Labor Code § 2699(1)(2), and that a judgment with respect to the PAGA action is binding with respect to non-party aggrieved employees upon Court approval, pursuant to California Labor Code § 2699(1) and *Arias v. Superior Ct.* (2009) 46 Cal.4th 969. Parties further recognize that a settlement of a PAGA action is not subject to class action procedural rules, and that PAGA Employees do not have the right to opt-out of or otherwise exclude themselves from the Settlement, or object to the Settlement, and upon approval of the Settlement by the Court and funding of the Settlement, all PAGA Employees will have released the Released Parties of and for the Released Claims and PAGA Employees will be entitled to receive payment, in conformity with the Settlement. In order to comply with the requirements of California Labor Code § 2699, promptly upon execution of this Agreement, Plaintiff's Counsel shall prepare, file and serve a motion requesting that the Court approve the Settlement, including and not limited to the PAGA Penalties, Attorneys' Fees and Costs, and Settlement Administration Costs, and apply to the Court for the entry of an order approving the Settlement and all of the requested payments and entering judgment ("Approval Order and Judgment"). The proposed Approval Order and Judgment will include a dismissal of the entire action with prejudice. This Settlement is expressly conditioned upon the Court entering

the Approval Order and Judgment, including the dismissal of Plaintiff's entire action with prejudice. The motion shall advocate that the penalties are fair, adequate, and reasonable, which will draw no opposition from Defendants or Defense Counsel. Before Plaintiff applies to the Court for approval of the Settlement, Plaintiff's Counsel shall submit the Agreement to the LWDA in conformity with California Labor Code § 2699(1)(2).

2. With Plaintiff's motion for approval of Settlement, Plaintiff shall submit a proposed Approval Order and Judgment which shall seek approval of this Settlement and the terms herein. Upon entry of the Approval Order and Judgment by the Court, Plaintiff's Counsel shall submit the Approval Order and Judgment to the LWDA in conformity with California Labor Code § 2699(1)(2).

VI. ADMINISTRATION OF THE SETTLEMENT

1. PAGA Employee List. Defendants shall compile a list containing the following information regarding each of the PAGA Employees: (1) full name; (2) last known mailing address; (4) Social Security number; and (5) the total number of pay periods worked during the PAGA Period ("PAGA Employee List"). The PAGA Employee List will be provided to the Settlement Administrator within ten (10) calendar days after the the Court has signed and entered the Approval Order and Judgment. This information shall be treated as and remain confidential and shall be used solely to manage the notice and payment process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendants, the individual in question, or by order of the Court.

2. Funding of Settlement. Defendants shall fund the Gross Settlement Amount by way of electronic transfer to the account to be established by the Settlement Administrator for purposes of administration of the Settlement ("Settlement Administration Account"). The Gross Settlement Amount will be funded in seven installment payments. Defendants agree to issue the first installment payment of Ten Thousand Dollars and Zero Cents (\$10,000.00) no later than July 30, 2022. Thereafter each installment payment of Ten Thousand Dollars and Zero Cents (\$10,000.00) shall be due and payable on the 30th of each month for 6 consecutive months. The Gross Settlement shall be paid in full no later than January 30, 2022. If the date by which the payment is to be made falls on a Saturday, Sunday, or legal holiday in the State of California, then the date said payment shall be made shall be the next following day which is not a Saturday, Sunday, or legal holiday in the State of California.

3. Payments to LWDA, Plaintiff's Counsel, Plaintiff, and Settlement Administrator. Within ten (10) business days after the Effective Date, the Settlement Administrator shall pay the Court-approved LWDA Payment to the LWDA, Attorneys' Fees and Costs to Plaintiff's Counsel, Plaintiff's Individual Settlement to Plaintiff, and Settlement Administration Costs to itself.

4. Employee Notices and Payments to PAGA Employees. Within ten (10) business days after the Effective Date, the Settlement Administrator shall mail via U.S. First Class mail to each PAGA Employee his or her Individual Settlement Check at the last known address in the PAGA Employee List or a more updated address from the National Change of Address Database. A notice letter explaining why the check is being sent ("Employee Notice"), in a mutually-agreed upon form that has been approved by the Court, in substantially the form that is attached hereto as "Exhibit A," will be included in the mailing of each PAGA Employee's Individual Settlement Check. Together, an Individual Settlement Check that is mailed to a PAGA Employee with the Employee Notice is referred to as a "Payment Packet." Prior to mailing the Payment Packets, the Settlement Administrator shall check the addresses provided using the National Change of Address database. Should any of the Employee Notices be returned as undeliverable, the Settlement Administrator will have ten (10) calendar days after it receives the returned undeliverable mail to search for a more current address for the PAGA Employee (via a skip trace or other reasonable method) and to re-mail Employee Notices to the traced address.

5. Within twenty (20) calendar days of distributing the Gross Settlement Fund, the Settlement Administrator shall provide to Plaintiff's and Defendants' Counsel written confirmation verifying that it effected disbursement of the Gross Settlement Fund pursuant to the terms of this Agreement.

6. Expiration of Settlement Checks. All Individual Settlement Checks will expire one hundred and eighty (180) calendar days after the initial mailing of the original Payment Packets to the PAGA Employees, and thereafter, shall be cancelled. If any funds remain in the Settlement Administration Account as a result of cancelled Individual Settlement Checks, such funds shall be transmitted to the State Controller's Office Unclaimed Property Fund in the name of each PAGA Employee whose check is voided. All duties set forth herein shall be included in the Settlement Administration Costs and paid from the Gross Settlement Amount.

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.

8. Settlement Administrator's Tax Reporting. The Settlement Administrator shall be responsible for providing the requisite Form 1099's as required by this Agreement, and the completion of any other steps necessary for compliance with any tax obligations of the Settlement under federal, state, and/or local law, as applicable.

9. As soon as practicable after execution of this Agreement, Plaintiff's Counsel shall, with the assistance and cooperation of Defendants and their counsel, take all necessary steps to secure the approval of this Settlement from the Court. Irrespective of whether a PAGA Employee's Individual Settlement Check has been cashed, he or she will be deemed to be bound to this Settlement, the release provided herein, and the Court's Approval Order and Judgment.

VII. ADDITIONAL TERMS.

1. No Prior Assignments. The Parties hereto 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 rights herein released and discharged except as set forth herein.

2. No Admission. Nothing contained herein, nor is the consummation of this Settlement, to be construed or deemed an admission with respect to liability, culpability, negligence, or wrongdoing on the part of Defendants, Released Parties, Plaintiff, Plaintiff's Counsel, PAGA Employees, or the LWDA. Each of the Parties hereto has entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses. Defendants deny that they have engaged in any unlawful activity, that they have failed to comply with the law in any respect, that they have any liability to anyone under the claims asserted in the Action. The Parties agree that this Agreement does not constitute an admission by Defendants or any of the Released Parties of any of the matters alleged in the Action or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing by Plaintiff, Defendants or any of the Released Parties.

3. Nullification. If the Court should fail to approve the Settlement as agreed upon by the Parties, the Parties shall coordinate efforts to address the Court's questions or concerns and work jointly to make reasonable efforts to remedy the Settlement in order to obtain the Court's approval. If the Parties cannot resolve the issues identified by the Court in denying approval, the

Parties shall be restored to their litigation positions and all funds returned to Defendants. If, after the Parties make a second attempt to obtain approval of the material terms of the Settlement, unless the Parties specifically agree to continue with their coordinated efforts to obtain Court approval, the Court fails to approve the material terms of the settlement in the form agreed to by the Parties (except for the amount of Attorneys' Fees and Costs requested by Plaintiff's Counsel), or if the Court's approval of this Agreement is reversed, modified, or declared or rendered void, then: (a) this Agreement shall be considered null and void; (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (c) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court. Invalidation of any material portion of this Agreement, except for the amount of the Attorneys' Fees and Costs, shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

4. Attorneys' Fees, Costs And Expenses. Except as specifically set forth herein, each Party shall bear its/his/her own attorneys' fees, costs and expenses, taxable or otherwise, incurred by him/her/it/them arising out of the Action, and shall not seek reimbursement thereof from any other party to this Agreement, unless otherwise specifically stated.

5. Enforcement And Continuing Jurisdiction Of The Court. The Parties agree that upon approval by the Court, this Agreement shall be enforceable by the Court, and the Court shall retain exclusive and continuing equity jurisdiction pursuant to California Code of Civil Procedure § 664.6 of this action over all Parties and PAGA Employees to interpret and enforce the terms, conditions, and obligations set forth in this Agreement.

6. Severability. The Parties agree that if any immaterial provision of this Agreement is held to be invalid by a court of competent jurisdiction, that provision shall be deemed severed and deleted from this Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions, and the remaining provisions shall be deemed enforceable.

7. Construction. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties and that this Agreement constitutes the entire agreement between Plaintiff and Defendants regarding the settlement of the Released Claims and that this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding the resolution of the Released Claims.

8. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, no presumption for or against any Party arising out of drafting all or any part of this Agreement may be applied in any action relating to, connected to, or involving this Agreement. Accordingly, the Parties hereby waive the benefit of any legal principle or rule providing that, in cases of uncertainty, the language of a contract should be interpreted against the Party who caused the uncertainty to exist

9. Non-Evidentiary Use. Neither the existence of this Agreement, the terms of this Agreement, the negotiation and execution of this Agreement, all acts performed or documents executed pursuant to or in furtherance of this Agreement, nor the settlement of the Action shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Plaintiff, the LWDA, Defendants or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, culpability, fault, wrongdoing, omission, concession, or damage, or of the truth of any of the factual allegations in the Operative Complaint in the Action; (b) disclosed, referred to, or offered in evidence against Plaintiff, the LWDA, or any of the Released Parties in any further proceeding in the Action, or any other civil, criminal, or administrative action or proceeding in any court, administrative agency or other tribunal except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendants to attempt to establish that a PAGA Employee has resolved or been compensated for any claims made by that employee; and (c) deemed to be, nor used as, an admission or evidence of the appropriateness of these or similar claims for representative treatment, class certification or administration other than for purposes of administering this Settlement. Nothing herein shall constitute an admission by Defendants that the Action was properly brought as a representative action other than for settlement purposes.

10. Choice Of Law. The rights and obligations of the Parties under this Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. California law shall govern the interpretation of this Agreement even if a choice of law analysis under state or federal law would dictate that another forum's law be applied.

11. Cooperation. Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

12. Captions And Headings. Paragraph titles, captions, or headings contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

13. Modification. This Agreement may not be changed, altered, waived, or modified, except in writing and signed by counsel for the Parties hereto, and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

14. Binding. This Agreement is binding upon, and shall inure to the benefit of, the Parties hereto and their respective agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

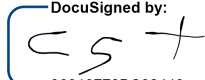
15. No Publication. The Parties will, and will cause all their respective current or past counsel to: (i) maintain in confidence and not publish or otherwise disclose to any third party the terms of this Agreement or any related information, except as necessary to obtain Court approval as contemplated by this Agreement; (ii) not publish the fact and/or terms of this Agreement or any related information on their website(s), for advertising purposes and/or in publication materials generally available to the public. Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement will be admissible and subject to disclosure in any proceeding to enforce its terms.

16. Electronic Signatures and Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties. The counterparts may be executed and/or transmitted electronically or by facsimile.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Private Attorneys General Act Settlement Agreement and Release as of the date set forth below.

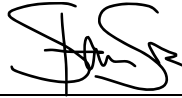
PLAINTIFF Carlos Antonio Sorto Tejada

DATED: 7/11/2022

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Carlos Antonio Sorto Tejada

DEFENDANT Steven A. Simons

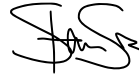
DATED: 7/7/22



Steven A. Simons

**DEFENDANT PARAMOUNT RECOVERY
SERVICE**

DATED: 7/7/22



By:

On behalf of PARAMOUNT RECOVERY
SERVICE
Text

APPROVED AS TO FORM AND CONTENT:

DATED: 7/12/2022

AEGIS LAW FIRM, PC



By:

Samuel Wong
Kristy R. Connolly
Attorneys for Plaintiff

DATED: 7/7/2022

PHILLIPS LAW PARTNERS, LLP



By:

Gary R. Phillips
James R. Coelho
Attorneys for Defendants