

PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the U.S. District Court, Plaintiff Michael Real ("Plaintiff") and Defendant WiLine Networks Inc. ("Defendant" or "WiLine") (collectively, the "Parties") hereby agree to the following settlement ("Settlement" or "Settlement Agreement") of the Plaintiff's PAGA claims and his individual claims in the lawsuit entitled Michael Real v. WiLine Networks Inc., Case No. 8:20-cv-01606-SB-JDE.

PERSONS COVERED BY THE SETTLEMENT

1. Aggrieved Employees: This Settlement covers all of WiLine's formerly employed employees paid on a commission basis in the State of California from April 16, 2019 to the present, which Defendant in good faith estimates as 29 individuals ("Aggrieved Employees").
2. Settlement Period: The Settlement covers the period from April 16, 2019 (i.e., one year before Plaintiff filed their initial letter of complaint with the Labor and Workforce Development Agency ("LWDA")) until the date the Court enters an order and judgment approving this Settlement ("Settlement Period").
3. Effective Date: "Effective Date" will be the date the District Court or any Party serves notice of the District Court's order and judgment approving this Settlement ("Court Approval Order and Judgment"). At no time will Defendant have any obligation to fund the Settlement, in whole or in part, until after this Effective Date.

SETTLEMENT CONSIDERATION

4. Maximum Settlement Amount: WiLine will pay \$25,000 ("Maximum Settlement Amount") to settle Plaintiff's PAGA claims and his individual claims in the Action. In no event shall WiLine be liable for more than the Maximum Settlement Amount.
5. PAGA Penalties Fund: The Parties agree that WiLine will pay \$2,500 to the LWDA and Aggrieved Employees in full satisfaction of all claims for PAGA civil penalties under the California Labor Code ("PAGA Penalties Fund"). Pursuant to PAGA, 75% of the PAGA Penalties Fund will be paid by WiLine directly to the LWDA, and the remaining 25% will be paid by WiLine directly to all Aggrieved Employees in equal shares.

6. Attorneys' Fees and Costs: In full satisfaction of all claims Plaintiff and Aggrieved Employees may have for attorneys' fees, litigation costs, and expenses arising out of the Action, WiLine agrees to pay Plaintiff's Counsel, Lex Opus and Workworld Law Corp. ("Plaintiff's Counsel"), a maximum amount of \$17,500 in attorneys' fees and litigation costs ("Attorneys' Fees and Costs"). To the extent the Court approves Attorneys' Fees and Costs of less than \$17,500, the amount of the difference shall be added to the PAGA Penalties Fund.

7. Plaintiff's Individual Payment: In exchange for a general release, and in recognition of Plaintiff's effort and work in prosecuting the Action on behalf of Aggrieved Employees and the State of California, the Parties agree that Plaintiff will receive a payment of \$5,000 ("Plaintiff's Individual Payment"). The Plaintiff's Individual Payment will be paid from the Maximum Settlement Amount. Plaintiff will be solely and legally responsible to pay any and all applicable taxes relating to or arising from the payments made pursuant to this section, and will indemnify, defend, and hold harmless the Released Parties from and against any claim or liability for taxes, penalties, or interest arising from or relating to the Plaintiff Individual Payment. The Plaintiff's Individual Payments will be treated as 100% miscellaneous income for which a 1099 will be issued. To the extent the Court approves Plaintiff Individual Payments of less than \$5,000, the amount of the difference shall be added to the PAGA Penalties Fund.

8. Court Approval of the Settlement and Distribution of Settlement Payments: The Parties will present a stipulation to the Court incorporating this Settlement Agreement and will request that the Court issue a Court Approval Order and Judgment approving and incorporating by reference the terms and conditions of the Settlement Agreement (the "Court Approval Order and Judgment"), and entering judgment.

9. Funding of the Settlement: Within 30 calendar days after the Effective Date of the Settlement, WiLine will pay the Attorneys' Fees and Costs and Plaintiff's Individual Payment to Plaintiff's Counsel, and will distribute payment of the PAGA Penalties Fund.

10. Settlement Payments to Aggrieved Employees: WiLine will issue each Aggrieved Employee a check for his or her share of the PAGA Penalties Fund and the Plaintiff's Individual Payment

along with an explanatory letter attached hereto as Exhibit A. Checks will remain negotiable for 120 days. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than 120 days after issuance will be tendered to the California Department of Industrial Relations Unpaid Wage Fund (see Cal. Lab. Code § 96.6). All settlement payments to Aggrieved Employees will be treated as 100% miscellaneous income for which a form 1099 will be issued.

11. Settled Claims for Aggrieved Employees and the State of California: Upon issuance of the Court Approval Order and Judgment, Plaintiff, all Aggrieved Employees, and the State of California shall fully release and forever discharge any and all claims arising during the Settlement Period seeking civil penalties under PAGA that were asserted or could reasonably have been asserted based on the facts alleged or that could have been alleged in the Action for the penalties sought in the Action, including failure to pay all wages owed at or after the time of termination and failure to provide accurate wage statements (“Released Claims”), against WiLine, its past and present parents, subsidiaries, predecessors, successors, assigns, owners, officers, directors, employees, agents, trustees, attorneys or legal representatives, insurers, fiduciaries, beneficiaries, partners, and/or any other entity or individual which could be liable for the acts or omissions of WiLine in relation to the Released Claims (hereinafter “Released Parties”). Upon issuance of the Court Approval Order and Judgment, Plaintiff, all Aggrieved Employees, and the State of California will be forever barred from pursuing against WiLine any and all claims for PAGA civil penalties under the Labor Code, Wage Orders, and/or other provisions of law alleged or that could have been alleged to have been violated in the Action with respect to Aggrieved Employees based on the facts alleged or that could have been allege in the Action during the Settlement Period for the penalties sought in the Action.

12. Plaintiff Released Claims: Upon issuance of the Court Approval Order and Judgment, Plaintiff shall fully and finally release the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including, but not limited to, claims arising from or related to employment with Defendant and

compensation while an employee of Defendant ("Plaintiff Released Claims"). Plaintiff Released Claims include, but are not limited to, all claims asserted in, arising from, or related to the Action. Plaintiff Released Claims include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime, and interest; the calculation of the regular rate of pay; wages related to time rounding and timekeeping; missed meal period and rest period premiums; meal period waivers; failure to reimburse for all necessary business expenditures or losses; payment for all hours worked, including off-the-clock work and uncompensated work time; wage statements; deductions; failure to pay wages and final wages in a timely manner; failure to keep accurate records; failure to provide employment records; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, waiting-time penalties, statutory and civil penalties; and attorneys' fees and costs. Plaintiff's Released Claims include all claims arising under the Labor Code; the Wage Orders of the California Industrial Welfare Commission; the PAGA; Business and Professions Code §§ 17200, et seq.; the Civil Code, to include but not limited to, sections 3287, 3336 and 3294; 12 CCR § 11040; 8 CCR § 11060; Code of Civil Procedure § 1021.5; the common law of contract; the FLSA, 29 U.S.C. §§ 201, et seq.; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. §§ 1001, et seq. Plaintiff's Released Claims also include all claims for emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of example only, 42 U.S.C. § 1981, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, and the California Fair Employment and Housing Act; privacy claims of any type; and the law of contract and tort. This release excludes the release of claims not permitted by law.

Plaintiff's Released Claims include all claims, whether known or unknown. Even if Plaintiff discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain released and forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits of section 1542 of the California Civil Code, 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.

13. No Credit Toward Benefit Plans: Payments to Aggrieved Employees as referenced herein will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

14. 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.

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

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

17. Entire Agreement: This Settlement Agreement constitutes the entirety of the Parties' settlement terms with regard to the settlement of Plaintiff PAGA and individual claims. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

18. Amendment or Modification: This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest.

19. Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

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

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

22. Execution and Counterparts: This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement 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.

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

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

25. Captions: The captions and section numbers in this Settlement Agreement 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.

26. Waiver: No waiver of any condition or covenant contained in this Settlement Agreement 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.

27. Enforcement Action: In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

28. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

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

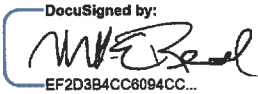
30. Cooperation and Execution of Necessary Documents: All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

31. Binding Agreement: The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement 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.

32. Denial of Liability: The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of WiLine. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

Dated: 4/20/2021

Plaintiff MICHAEL REAL

By  EF2D3B4CC6094CC...
MICHAEL REAL

Dated: April 21, 2021

Defendant WILINE NETWORKS INC.

By 
WILINE NETWORKS INC.

APPROVED AS TO FORM

Dated: 4/15/2021

WORKWORLD LAW CORP., APC

By

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RUBEN ESCOBEDO
Attorney for Plaintiff
MICHAEL REAL

Dated: April 22, 2021

NASSIRI & JUNG LLP

By



CHARLES H. JUNG
JOSE RAUL ALCANTAR
ANDREW R. KISLIK
NASSIRI & JUNG LLP
Attorneys for Defendant
WILINE NETWORKS INC.

<<DATE>>

<<FIRST NAME>> <<LAST NAME>>
<<ADDRESS>>

Re: Payment From *Michael Real v. WiLine Networks Inc.*

Dear <<FIRST NAME>> <<LAST NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Michael Real v. WiLine Networks Inc.*, U.S. District Court, Central District of California, Case No. :20-cv-01606-SB-JDE (the "Action").

The Action was filed against WiLine Networks Inc. ("WiLine") under the California Private Attorneys General Act ("PAGA". The claim was brought by one former employee of WiLine on behalf of the State of California and all persons who worked for Defendant paid on a commission basis in the State of California from April 16, 2019 to the present ("Statutory Period"). You have been identified as an individual on whose behalf the case was brought.

The Plaintiff in the lawsuit claims WiLine owes penalties under PAGA for alleged violations of the California Labor Code, including failure to pay all wages owed at the time of termination and failure to provide accurate wage statements. WiLine maintains its policies and practices were lawful and that all employees were provided with all wages owed at the appropriate times and fully accurate wage statements.

The Court has not ruled on the merits of the lawsuit, but it has approved the settlement the parties reached. A portion of the settlement amount goes to the State of California. Another portion of the settlement amount goes to the individuals who were terminated during the Statutory Period. In agreeing to this settlement, WiLine does not admit it is liable in any way to its current or former employees.

Enclosed is a check for your share of the settlement. You are not a party to this lawsuit, but you and the State are bound by the judgment.

Sincerely,

[NAME AND TITLE OF SIGNATORY]