

Private Attorneys General Act (Cal. Lab. Code § 2698, *et seq.*) Settlement Agreement

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that the Action and PAGA Released Claims shall be settled and resolved subject to the following terms and conditions set forth in this Private Attorneys General Act (Cal. Lab. Code § 2698, *et seq.*) Settlement Agreement (“Settlement Agreement” or “Settlement”), entered by and between Plaintiff Francisco Guardado (“Plaintiff”), for himself and on behalf of the State of California and other Alleged Aggrieved Employees pursuant to the California Private Attorneys General Act, and Defendant Millennium Reinforcing, Inc. (“Defendant” or “Millennium”) (collectively, the “Parties”).

This Settlement Agreement shall be effective upon the date of the Court order approving the Settlement (the “Effective Date”).

I. DEFINITIONS

Unless otherwise defined herein, the following terms, when used in this Settlement Agreement, shall have the following meanings:

A. “Action” means the matter entitled *Francisco Guardado v. Millennium Reinforcing, Inc.*, Los Angeles County Superior Court Case No. 20STCV39672, and as set forth in Plaintiff’s LWDA Letter dated September 28, 2020, a copy of which is attached hereto as Exhibit A.

B. “Alleged Aggrieved Employees” mean all current and former hourly-paid or non-exempt employees who worked for Millennium in the State of California during the PAGA Period, i.e., from September 28, 2019 through July 24, 2022 or Court approval of the settlement, whichever occurs first.

C. “Complaint” means the claims and allegations set forth in Plaintiff’s correspondence to the California Labor and Workforce Development Agency dated September 28, 2020 (“LWDA Letter”) and the Complaint filed on October 14, 2020, and amended Complaint for Enforcement under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* filed on February 8, 2021 in the Action.

D. “Court” or “Los Angeles County Superior Court” means the Superior Court of California for the County of Los Angeles.

E. “Defendant” or “Millennium” means Millennium Reinforcing, Inc.

F. “Defense Counsel” or “Counsel for Defendant” is: Scott K. Dauscher, Esq., and Jon M. Setoguchi, Esq., of Atkinson, Andelson, Loya, Ruud & Romo, 12800 Center Court Drive South, Suite 300, Cerritos, CA 90703.

G. “Employee PAGA Portion” is the amount to be distributed to the Alleged Aggrieved Employees, which shall consist of 25% of the Net Settlement Amount, as provided in Section III(C) herein.

H. “Employee Payments” refers to the PAGA Penalty Payments that will be distributed to the Alleged Aggrieved Employees, as provided in Section III(C) herein.

I. “Gross Settlement Amount” is the sum of Two Hundred Sixty Three Thousand Five Hundred and Fifty Dollars and Zero Cents (\$263,550.00), which represents the total amount payable under this Settlement Agreement by Millennium, and includes the Employee PAGA Portion payable to Aggrieved Employees, LWDA Payment payable to the LWDA, Court-awarded Attorneys’ Fees (up to one-third of the Gross Settlement Amount, currently \$87,850.00) to Plaintiff’s Counsel, Court-awarded Litigation Costs (not to exceed \$15,000.00) to Plaintiff’s Counsel, Court-awarded General Release Fee (not to exceed \$15,000.00) to Plaintiff, and a Court-awarded payment to the Settlement Administrator for Settlement Administration Costs (not to exceed \$6,500.00). The Gross Settlement Amount (“GSA”) is subject to a pro rata increase pursuant to Section III(B) below. The total amount payable under this Settlement Agreement by Millennium is the Gross Settlement Amount.

J. “LWDA” means the California Labor and Workforce Development Agency.

K. “LWDA Payment” means the amount to be paid to the LWDA, which is seventy five percent (75%) of the Net Settlement Amount as set forth in Section III(C) herein.

L. “Net Settlement Amount” is the amount remaining to distribute to the LWDA and Alleged Aggrieved Employees after the following amounts are subtracted from the Gross Settlement Amount: (a) Attorneys’ Fees to Plaintiff’s Counsel; (b) Litigation Costs to Plaintiff’s Counsel; (c) General Release Fee to Plaintiff; and (d) Settlement Administration Costs to Settlement Administrator.

M. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

N. “PAGA Period” means the time period from September 28, 2019 through July 24, 2022 or Court approval of the settlement, whichever occurs first.

O. “PAGA Released Claims” mean any and all claims, rights, demands, liabilities, and causes of action for civil penalties under PAGA that were asserted or that could have been asserted based on the factual allegations that are asserted in the LWDA Letter, that were pled in the Complaint or that could have been pled based on the factual allegations that are pled in the Complaint, that arose during the PAGA Period, including purported violations of California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1198, 2698, *et seq.*, 2800, and 2802, arising during the PAGA Period, from: the alleged failure to pay for all wages, including straight time and overtime wages for all hours worked in violation of California Labor Code sections 204, 210, 510, 558, 1194, and 1198, and applicable IWC Wage Orders; failure to provide compliant meal periods in violation of California Labor Code sections 226.7 and 512, and section 11 of the applicable IWC Wage Orders; failure to provide compliant rest periods in violation of Labor Code section 226.7 and section 12 of the applicable IWC Wage Orders; failure to provide compliant wage statements pursuant to California Labor Code sections 226 and 226.3;

failure to timely pay wages during employment in violation of California Labor Code section 204 and upon termination/separation pursuant to California Labor Code sections 201, 202, 203 and 210; failure to maintain accurate records in violation of Labor Code sections 1174 and 1174.5; and failure to reimburse necessary business expenses pursuant to California Labor Code sections 2800 and 2802, and any related claims for attorney's fees, costs, or interest resulting therefrom. Pursuant to applicable law, Alleged Aggrieved Employees will not have an opportunity to request exclusion from the release of the PAGA Released Claims and will be entitled to a share of PAGA Penalty Payments.

P. "Plaintiff's Counsel" means Justin E. D. Daily, Esq., Reed Aljian, Esq., Simon Kwak, Esq., and Joshua D. Klein, Esq., of Daily Aljian LLP, 100 Bayview Circle, Suite 5500, Newport Beach, CA 92660 and Daniel J. Hyun, Esq. of the Law Office of Daniel J. Hyun.

Q. "Released Parties" mean a release of the PAGA Released Claims by Plaintiff, the Aggrieved Employees, and the State of California against (1) Defendant; (2) Defendant's respective past, present and future parent corporations, affiliates, affiliates' companies, subsidiaries, divisions, d/b/a's, predecessors, insurers, successors, franchisees, franchisors, assigns, principals, heirs, their current and former employees, accountants, auditors, attorneys, consultants, officers, managers, members, partners, directors, shareholders, agents, both individually and in their business capacities of any of the following: and (3) any individual or entity which could be jointly liable with any of the foregoing.

R. "Settlement Administrator" means Phoenix Class Action Administration Solutions, a third-party administrator who shall administer the settlement, subject to approval by the Court, in accordance with this Settlement Agreement, and whose costs and expenses to administer the settlement are currently estimated not to exceed \$6,500.00 ("Settlement Administration Costs").

II. RECITALS

A. On September 28, 2020, Plaintiff provided written notice to the LWDA and Millennium asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of California Labor Code sections 201-203, 510, 558, 1194, and 1198 for failure to pay straight time and overtime; California Labor Code sections 226.7 and 512, as well as section 11 of the applicable Wage Order for failure to provide compliant meal periods; Labor Code section 226.7 and section 12 of the applicable Wage Order for failure to provide compliant rest periods; California Labor Code sections 2800 and 2802 for failure to reimburse business-related expenses; California Labor Code section 226 and 226.3 for failure to provide complete and accurate wage statements; California Labor Code sections 201-204, and 210 for failure to properly pay all wages throughout employment and following the end of employee's employment; California Labor Code section 1174 and 1174.5 for failure to keep complete and accurate payroll records.

B. Plaintiff filed his initial Class Action Complaint against Defendant Millennium Reinforcing, Inc., on September 28, 2020. Plaintiff's Complaint alleged the following causes of action on behalf of himself and a putative class of all current and former hourly employees of Defendant: (1) failure to pay wages pursuant to California Labor Code sections 204, 510, 1194, and 1198, and applicable IWC Wage Orders; (2) failure to provide meal periods pursuant to

California Labor Code sections 226.7 and 512, and section 11 of the applicable IWC Wage Orders; (3) failure to provide rest periods pursuant to California Labor Code sections 226.7, and section 12 of the applicable IWC Wage Orders; (4) failure to provide compliant wage statements pursuant to California Labor Code section 226 and applicable IWC Wage Orders; (5) failure to timely pay wages upon termination/separation pursuant to California Labor Code sections 201, 202 and 203 applicable IWC Wage Orders; (6) failure to reimburse necessary business expenses pursuant to California Labor Code sections 2800 and 2802 applicable IWC Wage Orders; and (7) violation of the Unfair Competition Law (“UCL”) pursuant to California Business and Professions Code section 17200, *et seq.* After Defendant provided an arbitration agreement signed by Plaintiff, on February 8, 2021, Plaintiff amended his Complaint to include a single claim for civil penalties pursuant to the Private Attorneys General Act (“PAGA”) per California Labor Code section 2698, *et seq.*, including civil penalties pursuant to California Labor Code section 2699, subdivisions (a), (t), and (g), and California Labor Code section 558, plus costs/expenses and attorneys’ fees. Plaintiff seeks to represent a group of all current and former non-exempt employees of Defendant. In light of the fact that Plaintiff signed an arbitration agreement containing a class action waiver, on February 8, 2021, Plaintiff filed a request for dismissal of the individual and class action claims without prejudice. On February 22, 2021, the court granted Plaintiff’s request for dismissal, so only the PAGA claims remained.

C. On May 12, 2022, the Parties participated in mediation before mediator Michael D. Young, Esq., after undertaking investigation, discovery, and an exchange of information and documents pertaining to Plaintiff and the Aggrieved Employees.

D. On June 10, 2022, based on the mediator’s proposal, the Parties agreed to fully and finally resolve the Action and the PAGA Released Claims as to Plaintiff, the State of California, and the Aggrieved Employees and signed a Memorandum of Understanding.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

A. **Non-Admission.** Nothing in this Settlement Agreement nor action taken in implementation thereof shall be construed to be an admission or concession by Plaintiff that his claims do not have merit or by Millennium of any liability or wrongdoing as to Plaintiff, Alleged Aggrieved Employees, or any other person, and Millennium specifically disclaims any such liability or wrongdoing. Nothing in this Settlement Agreement, 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. The Parties have entered into this Settlement Agreement with the intention to buy their respective peace and avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. Additionally, the Parties agree that the claims made and the amount and nature of the remedies requested are contested. This Settlement Agreement shall not be used, referred to, or introduced for any purpose other than by the Parties

in an action to enforce the Settlement Agreement's terms. This Settlement Agreement is not admissible in any other action or proceeding for any purpose. Notwithstanding the foregoing, this Settlement Agreement may be used in any Court proceeding 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. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability or wrongdoing of any type.

B. Gross Settlement Amount. Millennium shall pay \$263,550.00 as the Gross Settlement Amount. If the number of pay periods worked by all Alleged Aggrieved Employees exceeds 34,364 by more than ten percent (10%), as determined on July 24, 2022 or Court approval of the settlement, whichever occurs first (i.e., within the PAGA Period), the GSA will increase by the gross average dollar per pay period of \$7.67 for each additional pay period over 37,800. The gross average dollar per pay period is calculated by dividing \$263,550.00 by 34,364. For example, if the total number of pay periods worked by all Alleged Aggrieved Employees, as determined on July 24, 2022 or Court approval of the settlement, whichever occurs first, is 37,801, then the GSA would be increased to \$263,557.67. If the GSA increases pursuant to this Section, all other amounts calculated based thereon, including, but not limited to, Attorneys' Fees, the Net Settlement Amount, LWDA Payment, and Employee Payments shall be recalculated proportionally and incorporated herein by operation of this Settlement Agreement without further order of the Court, and the Parties will execute an amendment to this Settlement Agreement and/or submit a joint stipulation to modify any order or judgment initially approving the Settlement Agreement in order to reflect the revised amounts, if necessary. Notwithstanding, any increase in the GSA pursuant to this Section and the distributions made shall be reported to the Court pursuant to Section III(M), below.

C. Net Settlement Amount. The Parties agree that the Net Settlement Amount shall be distributed to the LWDA and Alleged Aggrieved Employees as follows: Seventy-five percent (75%) of the Net Settlement Amount shall be distributed to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) of the Net Settlement Amount shall be distributed to the Alleged Aggrieved Employees on a *pro rata* basis, based on their respective number of pay periods worked for Millennium during the PAGA Period. Payments to Alleged Aggrieved Employees of their share of the Net Settlement Amount shall be referred to as "PAGA Penalty Payment(s)." Each Aggrieved Employee will be paid a non-wage check for the PAGA Penalty Payment, and will receive an IRS Form 1099 for said payment. The Net Settlement Amount and characterization of settlement payments to the Alleged Aggrieved Employees and the State of California is 100% non-wage penalties. The amounts paid as non-wage penalties shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be subject to IRS Form 1099 reporting. No later than January 31 of the year following payment of their individual portion of the PAGA Penalty Payment, the Settlement Administrator will prepare and issue IRS Form 1099 to Alleged Aggrieved Employees who received a payment. Neither Plaintiff nor Defendant, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement.

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D. Attorneys' Fees Payment and Litigation Costs Payment. Millennium will not oppose Plaintiff's request for an award of attorneys' fees of up to one-third of the GSA (currently \$87,850.00) ("Attorneys' Fees") and reasonable litigation costs and expenses in the amount up to \$15,000.00 incurred in prosecuting this Action ("Litigation Costs"), to Plaintiff's Counsel. In the event the Court approves a payment of less than one-third of the GSA for Attorneys' Fees (currently \$87,850.00) and/or less than \$15,000.00 for Litigation Costs to Plaintiff's Counsel, the difference will be a part of the Net Settlement Amount. The Attorneys' Fees and Litigation Costs payments will be reported on an IRS Form 1099 issued to Plaintiff's Counsel.

E. General Release Fee. Millennium will not oppose Plaintiff's request for payment in the amount up to \$15,000.00 as a general release fee in connection with the release and waivers provided by Plaintiff, in his individual capacity ("General Release Fee"). In the event the Court approves a payment of less than \$15,000.00 as a General Release Fee award to Plaintiff, the difference will be a part of the Net Settlement Amount. The General Release Fee will be reported on an IRS Form 1099 issued to Plaintiff.

F. Settlement Administration Costs. Millennium will not oppose Plaintiff's request for payment in the amount up to \$6,500.00 to the Settlement Administrator for administering the settlement. In the event the Court approves a payment of less than \$6,500.00 for Settlement Administration Costs, the difference will be a part of the Net Settlement Amount. Settlement Administration Costs will be reported on an IRS Form 1099 issued to the Settlement Administrator.

G. Plaintiff's Release of Claims and Waiver of California Civil Code section 1542. In consideration of payment under the Settlement, and upon the Effective Date of Releases (defined in section III(O) below), Plaintiff shall be deemed to release the Released Parties from any and all PAGA Released Claims and any other claims that he may have against the Released Parties, including and not limited to, all complaints, claims of any nature, kind, and description, whether in law, equity or otherwise, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including attorneys' fees and costs actually incurred, other than as otherwise provided herein) of any nature whatsoever, known or unknown, suspected or unsuspected, which currently do or may exist, including, but not limited to, any matter, cause or claim arising out of or related to facts or events occurring prior to the execution of this Agreement, and/or arising from or relating in any way to Plaintiff's employment with Defendant and/or the separation of his employment with Defendant, including, but not limited to, any and all rights and claims whether based on tort (including, but not limited to, any form of negligence, including, but not limited to, negligent hiring, negligent retention, and/or negligent supervision), contract, or any federal, state or local law, statute, act, order, constitution, or regulation, including, but not limited to, claims for disparate treatment, disparate impact, harassment, discrimination, retaliation, failure to take all reasonable steps to prevent discrimination and retaliation, failure to engage in the interactive process, failure to provide a reasonable accommodation, wrongful termination in violation of public policy, misclassification, unpaid minimum wages, unpaid overtimes wages, lost wages, commissions, bonuses, benefits, medical expenses, business expenses, severance, failure to provide meal or rest periods or meal or rest period penalties, wage statement violations, waiting time penalties, other employment compensation, other economic and non-economic damages, penalties, liquidated damages, compensatory damages, punitive damages, injunctive relief, reinstatement, attorneys'

fees, costs, expenses and any other statutory or common law claims relating to employment or the recruitment therefor or the termination thereof; conversion, false promise, misrepresentation, fraud, malicious prosecution, breach of contract, breach of covenant of good faith and fair dealing, fraudulent business practices, unfair competition, whistleblowing, whistleblower retaliation, emotional distress, defamation, libel, slander, invasion of privacy, violation of California Labor Code (including but not limited to §§ 132a, 226 and 1198.5 and the Private Attorneys General Act), and any and all rights and claims arising under the Age Discrimination in Employment Act of 1967, Rehabilitation Act, Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act, the Family and Medical Leave Act, the Families First Coronavirus Response Act, the Genetic Information Nondiscrimination Act of 2008, the Workers Adjustment and Retraining Notification Act, the National Labor Relations Act, Sections 1981 through 1988 of Title 42 of the United States Code, the California Equal Pay Law, the California Fair Employment and Housing Act, the California Government Code, the California Family Rights Act, the Los Angeles Municipal Code, the Fair Labor Standards Act, the Equal Pay Act of 1963, the California Workers Adjustment and Retraining Notification Act, the California Business and Professions Code, any California Industrial Welfare Commission Wage Order, the California Military & Veterans Code, the California Civil Code, the California Corporations Code, the Unruh Civil Rights Act, the California Domestic Violence and Sexual Assault Victim Leave Act, the California Whistleblower Law, and the United States and California constitutions (collectively, "Plaintiff's Released Claims"). Plaintiff represents that he is not aware of any claims he may have against the Released Parties other than the PAGA Released Claims. As a material inducement for Millennium to enter into this Settlement, Plaintiff waives any and all rights and benefits conferred by the provisions of section 1542 of the California Civil Code and any similar law of any state or territory of the United States or other jurisdiction. Section 1542 of the California Civil Code 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.

Plaintiff understands and acknowledges that this Settlement Agreement is meant to include, to the fullest extent, all PAGA Released Claims and other claims which Plaintiff does not know or suspect to exist in his favor against the Released Parties.

H. PAGA Released Claims. Upon the Effective Date of Releases (defined in section III(O) below), Plaintiff, Alleged Aggrieved Employees, and the State of California will be forever barred from pursuing any and all PAGA Released Claims defined in Section I(O) herein. This release of claims only covers those civil penalties which are recoverable under PAGA, and does not otherwise cover individual, underlying claims or causes of action that Alleged Aggrieved Employees may have under the law against Released Parties for violations of the California Labor Code.

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I. Covenants and Representations by Plaintiff and Plaintiff's Counsel. Plaintiff and Plaintiff's Counsel each represent and warrant that they have not assigned or transferred or purported to assign or transfer to any person or entity, any claim, right, liability, demand, obligation, expense, action, or causes, or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands his rights, privileges, and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

J. Limited Disclosure and Confidentiality. This Settlement shall remain confidential until the Joint Stipulation for Approval of the Settlement and proposed order for approval of the Settlement (collectively, the "Stipulation"), or if required, a motion for approval of the Settlement ("Motion for Approval") is filed with the Court. Until that time, Plaintiff and Plaintiff's Counsel expressly agree that they shall not reveal, disclose, divulge, advertise, post on the Internet or social media, or discuss, directly or indirectly, with any person or any entity, in public or in private, the manner in which the Action has been resolved, the nature of the Action, or any terms of the settlement. Plaintiff and Plaintiff's Counsel further expressly agree that they will not publicize this Settlement in any manner, even anonymously, including, without limitation, reporting to Jury Verdicts or any other reporting services. After the Stipulation or Motion for Approval is filed with the Court, Plaintiff and Plaintiff's Counsel expressly agree not to publicize the name of the Defendant and settlement amount in any manner and shall refrain from posting Defendant's name on Plaintiff's Counsel's website or using Defendant's name to advertise any alleged recovery or settlement agreement by Plaintiff's Counsel.

K. Filing of Joint Stipulation of Settlement by Plaintiff's Counsel. Plaintiff's Counsel shall be responsible for preparing the Stipulation and proposed order, and providing Defendant's Counsel with sufficient opportunity to propose revision to the Stipulation prior to filing. Plaintiff's Counsel will file the Stipulation, which is mutually agreed to by the Parties, as soon as practicable. If a motion, instead of a stipulation and order is required for approval of the PAGA settlement, Plaintiff's Counsel will obtain the earliest available hearing date for approval of the settlement upon execution of this Settlement. Plaintiff's Counsel will serve the Stipulation and/or Motion for Approval on Defendant's Counsel and submit it to the LWDA within 21 days of the execution of this Settlement. Pursuant to California Labor Code section 2698, *et seq.*, Plaintiff's Counsel shall undertake all required submissions and disclosures to the LWDA and the Court to obtain approval of the settlement, and perform any and all statutory tasks as required by law, including but not limited to submitting this Settlement Agreement to the LWDA at the same time that it is submitted to the Court and submitting the Court's judgment to the LWDA within 10 days after entry of the judgment pursuant to California Labor Code sections 2699(1)(2)-(3). .

L. Termination of Settlement Agreement. If the Court does not approve the Settlement, if the Court does not dismiss the Action with prejudice, as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the terms of the Settlement Agreement is

not approved or is materially modified or reversed or found to be invalid, or the Settlement does not become final for any other reason, then either of the Parties shall have the right within ten (10) calendar days of written notice thereof to elect to terminate the Settlement Agreement, in which case it shall have no force or effect, and the Parties shall be deemed to have reverted to their original, respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

M. Dismissal. Within ten (10) calendar days of the expiration of the 180-day period for Alleged Aggrieved Employees to cash their payments, the Settlement Administrator will provide the Parties with a declaration confirming that distribution of payments has been completed in accordance with the Settlement Agreement and the Court's orders. Plaintiff's Counsel will file the declaration with the Court and required dismissal papers (i.e., a Request for Dismissal of the Action with prejudice) within ten (10) calendar days of receipt or as otherwise ordered by the Court. This Settlement Agreement is expressly conditioned upon the Court entering the dismissal of the Action in its entirety with prejudice. The dismissal will not release or bar any claims other than all claims as to Plaintiff pursuant to Cal. Code Civ. Proc. section 1542, and the PAGA Released Claims as to Plaintiff, Alleged Aggrieved Employees, and State of California.

N. No Reversion, No Claims Made. There will be no reversion to Defendant and no claims or opt-out process for Alleged Aggrieved Employees to receive payment.

O. Effective Date of Releases. The releases set forth herein will be deemed effective upon the dismissal of the Action with prejudice pursuant to the terms set forth herein, which shall be after all of the following events have occurred: the Court's approval of the Settlement; Defendant provides the Settlement Administrator with the Alleged Aggrieved Employees List (defined below); Defendant remits all monetary sums due; the Settlement Administrator distributes the GSA to all intended recipients; the 180-day check cash-in period expires; and the filing of the Settlement Administrator's declaration regarding distribution.

IV. ADMINISTRATION OF SETTLEMENT

A. Settlement Administrator. The Parties have mutually selected Phoenix Class Action Administration Solutions to handle the administration of this Settlement, subject to approval by the Court.

1. Notice to Alleged Aggrieved Employees.

a. No later than fourteen (14) calendar days after entry of an order or judgment approving the Settlement, Defendant shall provide the Settlement Administrator with a list of the Alleged Aggrieved Employees (the "Alleged Aggrieved Employees List"). The Alleged Aggrieved Employees List shall include each Alleged Aggrieved Employee's full name, last known mailing address, last known telephone number, start date(s) of employment, end date(s) of employment, total pay periods worked for Defendant in California during the PAGA Period, and Social Security number, to the extent available from Defendant's records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and shall only access and use the list to administer the Settlement in conformity with the Court's

orders. Defendant will in good faith compile from its records the Alleged Aggrieved Employees List and provide it to the Settlement Administrator in a computer-readable format, such as a Microsoft Excel spreadsheet.

b. No later than ten (10) calendar days after receipt of the Gross Settlement Amount from Defendant, the Settlement Administrator will mail the payments to the Alleged Aggrieved Employees under cover letter, substantially in the form attached hereto as “**Exhibit A**” (“Cover Letter”), to each of the Alleged Aggrieved Employees identified on the Alleged Aggrieved Employees List. Prior to mailing the Cover Letter, the Settlement Administrator shall check the addresses provided in the Alleged Aggrieved Employees List using the United States Postal Service’s National Change of Address database, and update the addresses for known address changes. Any checks returned as non-deliverable on or before the check cashing deadline will be re-sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other search using the name, address, or Social Security number of the Alleged Aggrieved Employee involved and will perform a single re-mailing after which any returned checks will be deemed undeliverable. The Settlement Administrator shall maintain a list of the postmark date for the original mailing of the PAGA Penalty Payment(s) to the Alleged Aggrieved Employees, the postmark date of any subsequent mailing to any the Alleged Aggrieved Employees, and a list of Alleged Aggrieved Employees who did not receive the PAGA Penalty Payment due to the inability to locate a valid address using the procedures described herein or who otherwise could not be located within two attempts at mailing. Defendant fully discharges its obligations to those Alleged Aggrieved Employees to whom they will pay an PAGA Penalty Payment through the mailing of a check, regardless of whether such checks are actually received and/or negotiated by Alleged Aggrieved Employees.

2. Deposit and Distribution of Gross Settlement Amount.

a. No later than twenty (20) calendar days after entry of an order or judgment approving the Settlement (“Funding Date”), Defendant shall fund the GSA into a settlement account established by the Settlement Administrator, for administration and distribution in accordance with this Settlement Agreement and the Court’s orders.

b. The Settlement Administrator shall distribute payments for the General Release Fee, the Attorneys’ Fees, the Litigation Costs, the Settlement Administration Costs, the Employee Payments, and the LWDA Payment within ten (10) calendar days after receipt of the GSA from Defendant. All payments provided for by this Settlement Agreement shall be made by the Settlement Administrator in accordance with this Settlement Agreement and the Court’s order approving this Settlement.

c. Each Aggrieved Employee will be issued one check for his or her payment which will expire one hundred and eighty (180) calendar days from the date the checks are issued by the Settlement Administrator. After the 180-day period, the Settlement Administrator shall cancel all checks that have not been cashed or deposited and remit funds associated with such canceled checks to the State Controller’s Office, Unclaimed Property Division in the name associated with each Aggrieved Employee whose Employee Payment checks are canceled.

V. MISCELLANEOUS PROVISIONS

A. No Impact on Employee Benefit Plans. Neither the Settlement Agreement nor any amounts paid to Plaintiff, any Aggrieved Employee, or the LWDA under the Settlement will modify any previously credited hours or service under any employee benefit plan, retirement or 401k plan, policy, or bonus program sponsored by Millennium. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Millennium's sponsored benefit plans, retirement or 401k plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going-forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any Millennium benefit plan, retirement or 401k plan, policy, or bonus program. Millennium retains the right, if necessary, to modify the language of its benefit plans, retirement or 401k plans, policies, and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

B. Tax Consequences. Plaintiff and Alleged Aggrieved Employees will be solely responsible for correctly characterizing any compensation received under the Settlement on his/her personal income tax returns for tax purposes, and paying all appropriate taxes due for any and all amounts paid to them under the Settlement. Plaintiff, Defendant, Plaintiff's Counsel, and Defendant's Counsel make no representations or warranties with respect to tax consequences of any payment under this Settlement Agreement, do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied upon as such.

C. Governing Law. This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in California, and all questions of validity, interpretation, or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action or arbitration is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Los Angeles.

D. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties' settlement terms. Except for the Memorandum of Understanding, no other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the Action and PAGA Released Claims.

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E. Judgment and Continued Jurisdiction. The Parties agree that this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6, and the Court, to the fullest extent of the law, shall retain exclusive and continuing jurisdiction over this Action, over all Parties, and the Alleged Aggrieved Employees to interpret and enforce the terms, conditions, and obligations of the Settlement Agreement.

F. 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 or counsel for all Parties, subject to approval by the Court.

G. Authorization to Enter into Binding Settlement Agreement. Defendant represents and warrants that the undersigned has the authority to act on behalf of Millennium and to bind Millennium to the terms of this Settlement Agreement. Plaintiff represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind him to the terms and conditions of this Settlement Agreement. Counsel for all Parties warrant and represent that 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 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 settlement and/or mediation privileges and/or confidentiality provisions that otherwise might apply under federal or state law. The Parties acknowledge they have been represented by counsel throughout all negotiations preceding the execution of this Settlement Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel and reviewed in full. 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 Agreement, the Parties may seek the assistance of the Court to resolve such disagreement.

H. 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. Plaintiff further hereby agrees and understands this Agreement shall bind himself and his heirs, executors, administrators and agents thereof, and that it inures to the benefit of Defendant, its owners, officers, shareholders, directors, members, operators, partners, predecessors, successors, predecessors, assigns, trustees, parent companies, affiliated or related companies, subsidiaries, franchisors, franchisees, joint employers, joint venturers, service providers, vendors, insurers, reinsurers, benefit plan fiduciaries, attorneys, agents, managers, supervisors, employees and former employees, current and former independent contractors, and assignees thereof.

I. Execution and Counterparts. This 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 provided that counsel for the Parties will exchange among themselves original signed counterparts.

J. Acknowledgement of Mutual Drafting and that the Settlement is Fair, Adequate, 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 by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations and that neither Party shall be considered the “drafter” of this Settlement Agreement for purposes of having terms construed against that Party. 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 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 arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

K. 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.

L. Severability. If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, provided that the essential terms and conditions of this Settlement Agreement for each Party remain valid, binding and enforceable, the remaining portions of this Settlement Agreement will continue to be valid, and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

M. No 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.

N. 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. The Parties and their counsel will cooperate with each other and use their best efforts to implement the settlement. The Parties agree to take all necessary steps to facilitate the Court's approval of the resolution as quickly as reasonably possible. 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.

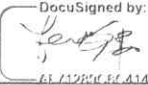
O. Costs and Fees. The Parties shall each bear their own costs, attorneys' fees, expert fees, mediator fees, and other fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

P. Nullification of Settlement. In the event that: (i) after good faith efforts to amend or modify the Settlement for Court approval the Court does not approve the Settlement as provided herein, or as amended or modified; 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 unless otherwise required under this Settlement Agreement.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

Dated: agosto 9, 2022

PLAINTIFF FRANCISCO GUARDADO

DocuSigned by:

63 132B06.EC.63A1A

Francisco Guardado

Dated: 8/15/22

DEFENDANT MILLENNIUM
REINFORCING, INC.

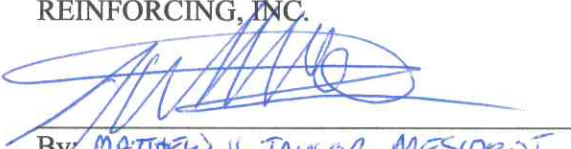

By: MATTHEW H. TAYLOR, PRESIDENT

Exhibit A
Cover Letter

<<SETTLEMENT ADMINISTRATOR INFORMATION>>

<<DATE>>

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

<<ADDRESS 1>>

<<ADDRESS 2>>

**Re: Payment From *Guardado v. Millennium Reinforcing, Inc.*,
Los Angeles County Superior Court Case No. 20STCV39672**

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

The Los Angeles County Superior Court (the “Court”) has approved a settlement in the above-captioned action filed by Francisco Guardado (“Plaintiff”) on behalf of himself and all other aggrieved employees.

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Guardado v. Millennium Reinforcing, Inc.*, Los Angeles County Superior Court Case No. 20STCV39672 (the “Action”). The Action was filed against Millennium Reinforcing, Inc. (“Defendant”) pursuant to the California Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.* (called “PAGA”). The lawsuit was brought on behalf of the State of California and all non-exempt employees employed by Defendant who worked at any time from September 28, 2019 through July 24, 2022 (“Aggrieved Employees”). You are receiving this notice because you have been identified as an Aggrieved Employee.

The Plaintiff in the case claimed that Defendant owed penalties under PAGA for certain violations of the California Labor Code. Each individual PAGA payment was calculated on a pro rata basis (*i.e.*, proportional) based on the number of pay periods worked by each Aggrieved Employee from September 28, 2019 through [July 24, 2022 or date of approval]. Your individual PAGA payment has been calculated at \$[AMOUNT PAID TO THIS EMPLOYEE]. Your payment is enclosed with this Notice. This payment is made on a 1099 basis, and you will be solely responsible for any taxes payable on the amount you received.

The Court has approved the Parties’ Settlement Agreement (“Settlement”). By operation of the Settlement’s terms, all Aggrieved Employees, including you, release Defendant and its past, present, and future owners, parents, subsidiaries, and all of their current, former, and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, successors, assigns, accountants, insurers, or legal representatives from any and all claims, rights, demands, liabilities and causes of action for civil penalties under the PAGA alleged in the Action or that could have been pled based on factual allegations pled in the operative complaint in the case, arising during the periods of September 28, 2019 through July 24, 2022, including any PAGA-based claims for (1) failure to pay all wages (including regular and overtime wages), (2) failure to provide meal periods or compensation in lieu thereof, (3) failure to authorize or permit rest breaks or compensation in lieu thereof, (4) failure to provide accurate itemized wage statements, (5) failure to maintain accurate records, (6) failure to timely pay wages due upon separation of employment, and (7) failure to reimburse business expenses where the foregoing claims arise under Labor Code § 2698, *et seq.*, for the alleged violations of California Labor Code §§ 201-204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1198, 2698, *et seq.*, 2800, and 2802.

The Court has **not** made a determination about the merits of Plaintiff's claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of Plaintiff's claims.

Defendant denies Plaintiff's allegations. It maintains that it was in compliance with the California Labor Code at all times and enters into this Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

If you have any questions, you can contact the Settlement Administrator (whose contact information is at the top of this letter).

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE