

CLASS ACTION SETTLEMENT AGREEMENT

INTRODUCTION AND RECITALS

1. Plaintiff Carlos Palma (“Plaintiff”), and Defendants S&W Janitorial Services, Inc., LA Maintenance & Janitorial and George Soliman (collectively referred to as “Defendants”) enter into this Class Action Settlement Agreement (the “Settlement” or “Agreement”) to resolve all claims asserted in the civil action pending in the Superior Court of the State of California for the County of Los Angeles (the “Court”), Palma v. S&W Janitorial Services, Inc., et al., Case No. 20STCV49304 (hereinafter the “Class Action”). Plaintiff and Defendants are collectively referred to as the “Parties.”

2. **WHEREAS**, in the Class Action, the Plaintiff alleges that the Defendants failed to pay proper wages for all hours worked, pay double time wages, provide lawful meal periods, permit lawful rest periods, furnish timely and accurate wage statements, pay minimum wage, and pay waiting time penalties, violated California’s Private Attorneys General Act of 2004 (Cal. Labor Code §2698, et seq.) (“PAGA”), and allegedly engaged in unfair business practices pursuant to Business and Professions Code Section 17200, et. seq.

3. **WHEREAS**, the Parties have engaged in discovery by exchanging substantial documentation, deposition of Defendants’ Person Most Knowledgeable (and individual Defendant), extensive review of Defendants’ financial records, and arms-length negotiations in a mediation session and continuing thereafter with Nikki Tolt, Esq. of ACT Mediation concerning settlement of the claims asserted in the Class Action.

4. **WHEREAS**, Plaintiff and Plaintiff’s counsel have performed a thorough study of the law and facts relating to the claims asserted in the Class Action and have concluded, based upon their investigation and discovery, and taking into account the sharply contested issues

involved, the expense and time necessary to pursue the Class Action through trial, the risks and costs of further prosecution of the Class Action, the uncertainties of complex litigation, and the substantial benefits to be received by Plaintiff and the members of the settlement class pursuant to this Agreement, that a classwide settlement with Defendants on the terms set forth herein is fair, reasonable, adequate and in the best interests of the settlement class.

5. **WHEREAS**, Defendants have denied and continue to deny each of the allegations and the claims asserted against them in the Class Action, including that Defendants failed to comply with laws relating to wages, hours of work, work-related expenses, and other provisions of the California Labor Code, and also deny liability for any damages, liquidated damages, penalties, attorneys' fees, or costs of litigation based on such allegations and claims.

6. **WHEREAS**, Defendants have concluded that, because of the substantial expense of litigating the Class Action, the length of time necessary to resolve the issues presented in the Class Action, the inconvenience involved and the concomitant disruption to their business operations, the settlement provided herein is fair and reasonable, and it is in their best interests to settle on the global terms set forth in this Agreement.

7. **WHEREAS**, this Settlement shall not be construed as an admission of wrongdoing as to anything that was or that could have been alleged against Defendants, an admission that Defendants have any liability to Plaintiff, the settlement class, or the State of California on those claims, nor an admission by Plaintiff that Defendants' defenses have any merit. This Agreement is intended to fully, finally, and forever compromise, release, resolve, discharge, and settle the released claims described below.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the undersigned that the claims asserted in the Class Action on behalf of Plaintiff, aggrieved

employees, and the putative classes shall be settled, compromised, and resolved subject to the approval of the Court, upon and subject to the following terms and conditions:

SETTLEMENT TERMS

8. CONDITIONAL CLASS CERTIFICATION FOR SETTLEMENT PURPOSES

(a) The Parties conditionally stipulate to class action certification only for purposes of this classwide settlement. If, for any reason, this Agreement is not approved by the Court, the stipulation to certification will be void *ab initio*. The Parties further agree that certification for purposes of the Settlement Agreement is not an admission that class action certification is proper under the standards applied to contested class certification motions and that this Agreement will not be admissible in this or any other proceeding as evidence that: (i) a class action can or should be certified in the Class Action; or (ii) Defendants are liable to Plaintiff or any Class Member, other than according to the Settlement Agreement's terms.

(b) In order to effectuate a class settlement, the Parties hereby conditionally stipulate to certification of the following class (the "Class") for purposes of settlement only: All persons who have provided services for Defendants as employees or 1099 independent contractors in a non-exempt, hourly paid, or piece-rate compensated position from December 23, 2016, through November 8, 2021 (the "Class Period").

9. EFFECTIVE DATE

If there is no objection to final approval of this settlement, the Effective Date shall be the date on which notice is given of a Court order granting final approval of the Settlement. If an objection is pending at the time the Court grants final approval, but no appeal of the final approval order is timely filed, the Effective Date shall be 61 days after notice of the Court's final approval

order. If an objection is pending at the time that the Court grants final approval, and a timely appeal is filed, the Effective Date shall be the date that the appeal is fully and finally resolved, provided that resolution does not alter the material terms of the Agreement.

10. CONSIDERATION

The Parties acknowledge that this Agreement is supported by the following consideration: (a) payment by Defendants of \$176,000.00 (the “Total Settlement Amount”); (b) the releases by Plaintiff and all Class Members who do not exclude themselves from the settlement; and (c) other valuable consideration, all of which are set forth herein. The Total Settlement Amount is non-reversionary.

Defendant represents that there are 78 Settlement Class Members. Should the number of Settlement Class Members exceed 78, Defendant shall increase the Total Settlement Amount by \$1,114 for each additional Settlement Class Member. This figure was calculated as an average recovery for each of the 78 Settlement Class Member from the Net Settlement Fund.

11. APPOINTMENT OF SETTLEMENT ADMINISTRATOR

(a) The Parties shall request the Court to approve ILYM Group, Inc. (the “Settlement Administrator”) to administer the settlement. The duties of the Settlement Administrator will include compiling the class list from information provided by the Defendants, handling all mailings to the Class, tracing undeliverable mailings, recording and tracking responses to the mailing to the Class (including recording the identity of any Class Members who opt out), responding to Class Member inquiries, calculating Individual Settlement Payments, issuing Individual Settlement Payments, reporting the Individual Settlement Payments to all required taxing and other authorities, taking appropriate withholding from the Individual Settlement Amounts, paying all employer payroll taxes and other withheld payments, and other related tasks

as mutually agreed to by the Parties. The costs and fees of the administration of the settlement, estimated at not more than \$6,000, shall be paid from the Total Settlement Amount, with no additional sums due from Defendants.

(b) The Settlement Administrator shall maintain a toll-free telephone line that shall be staffed by live operators during business hours and provide the ability for Class Members to leave messages during non-business hours. The Settlement Administrator also shall maintain a website where Class Members can obtain copies of the operative complaint in the Class Action, this Agreement, the preliminary and final approval orders, any judgment that results from this settlement, and other relevant documents, and to contact the Settlement Administrator if they have questions. The website will not be used to file opt-out requests. The form of the website shall be subject to the approval of counsel.

(c) The Settlement Administrator shall establish a Qualified Settlement Fund (“QSF”) pursuant to Section 468B(g) of the Internal Revenue Code and regulations promulgated thereunder for the purpose of administering this Settlement and shall notify the Parties when the Settlement Account has been established.

(d) Within 10 days prior to the Defendants’ final payment under the payment timeline below, the Settlement Administrator also shall calculate the employer’s share of payroll taxes, which will be paid by Defendants with the last payment set forth below separate and apart from the Total Settlement Amount into the QSF for distribution by the Settlement Administrator .

12. FUNDING OF THE TOTAL SETTLEMENT AMOUNT

As stated in the Agreement, Defendants, jointly and severally, shall be obligated to pay the Total Settlement Amount of \$176,000.00. The employer’s share of payroll taxes will be paid by Defendants separate and apart from the Total Settlement Amount. Defendants, jointly and

severally, shall be responsible for making payments to the Settlement Account on the following schedule:

- 1) \$56,000.00 within thirty days of Plaintiff's execution of this Settlement Agreement;
- 2) \$5,000.00 per month, commencing thirty (30) days after the \$56,000.00 is paid, with monthly payments continuing for 24 months (totaling \$120,000 in monthly payments), at such time the \$176,000.00 Total Settlement Amount is fully paid to the administrator for ultimate distribution to the class (24 months of payments at \$5,000.00 each).

Failure of Defendants to make any of the payments called for in this Agreement within 15 days of their due date, assuming Final Approval has been granted by the Court, allows Plaintiff the option to accelerate the entire settlement amount, less any payments made by Defendants. Plaintiff's counsel shall provide no less than 30 days written notice to Defendants' counsel of its intent to seek acceleration of the settlement amount. Should any payment of this Agreement not be followed by Defendants in response to such Notice to Cure, Plaintiff may move for an Ex Parte hearing or noticed motion after notice to enforce the provisions of payment and enter Judgment. In the event of a breach of the payment structure, Defendants hereby agree to a Stipulated Judgment for the full settlement amount less any payments made. This Agreement shall be fully enforceable pursuant to *Code of Civil Procedure* Section 664.6. In any legal action or other proceeding brought to enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and legal costs incurred. The Parties hereby stipulate that the court will maintain jurisdiction for purposes of enforcing this Agreement. This Agreement may be used as evidence in any proceedings of any kind, including an action alleging a breach of this Agreement. The parties expressly agree to waive the provisions of *California Evidence Code* §1152 solely to the extent necessary to render this Agreement admissible in a

proceeding to enforce the provisions hereof.

If the Settlement Agreement is not judicially approved, the funds shall be promptly returned to the Defendants.

13. COOPERATION IN OBTAINING COURT APPROVAL

The Parties shall cooperate in good faith and present to the Court, for its consideration in connection with the approval of the Agreement, any and all evidence as may be requested by the Court under the appropriate standards for approving the settlement of class claims and/or facilitating notice.

14. MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT

Promptly after execution of this Agreement, Plaintiff shall move the Court for an order: (a) granting Preliminary Approval of the Agreement; (b) approving the class notice and opt-out procedure set forth below; and (c) setting the time, date, and place of a hearing on final approval.

Should the Court decline to preliminarily approve the Settlement after best efforts by all Parties to respond to the Court, the Settlement is voidable by either party. In such event, the Parties shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement, and the parties shall proceed in all respects as if this Agreement had not been executed, unless a party seeks reconsideration of the ruling or Court approval of a renegotiated settlement. If either party voids the settlement, the Parties will have no further obligations under the Settlement, including any obligation by Defendants to pay any amounts that otherwise would have been payable under this Settlement and settlement payments made to date would be returned to Defendants, except that the party who voids the settlement will pay the Settlement Administrator's reasonable fees and expenses incurred as of the date that the Party exercises the right to void the Settlement under this paragraph.

If this Agreement does not become effective or is cancelled, withdrawn, or terminated for any reason, it shall be deemed part of a negotiation for settlement purposes only and will not be admissible in evidence or usable for any purpose whatsoever in the Class Action or any proceeding involving the Parties, Class Members, or released claims.

15. LIST OF CLASS MEMBERS

Within 10 daysa after notice of the Court's Order granting preliminary approval of this Agreement, Defendants shall provide the Settlement Administrator with a list of all members of the Class. The list will identify each potential Class Member's name, social security number, last known address as recorded in Defendants' records, and the beginning and ending dates of that employee's period of employment with Defendants within the Class Period.

If any of the Class Members' information is unavailable to Defendants, Defendants will so inform Plaintiff's counsel before the date on which Defendants are required to submit the list to the Settlement Administrator and the Parties will make their best efforts to reconstruct or otherwise agree upon the Class Members' information prior to when it must be submitted to the Settlement Administrator. If the Parties are unable to agree, the dispute will be resolved by the Settlement Administrator in the manner provided in Paragraph 21.

Identifying information regarding Class Members will remain confidential and will not be disclosed to anyone, except as required to applicable taxing authorities or as required to carry out the reasonable efforts to identify Class Member information described in Paragraph 15, pursuant to Defendants' express written authorization, or by order of the Court.

In the event this Agreement is rendered void for any reason, the Settlement Administrator and Plaintiff's counsel shall not thereafter use this information for any purpose, and shall destroy any and all copies or versions of it (including any in electronic form).

16. NOTICE TO CLASS MEMBERS OF SETTLEMENT

The Settlement Administrator shall notify Class Members of the terms and conditions of this Agreement in a form of notice approved by the Court, a proposed draft of which is attached hereto as **Exhibit A** and which the Parties believe addresses each of the topics required under California Rule of Court 3.766(d). Out of an abundance of caution, the Parties agree that the notice will be distributed in English and Spanish.

After conducting a Change of Address search on all Class Members and making the address corrections indicated thereby, the Settlement Administrator shall mail said notice by first class U.S. Mail within twenty (20) days after receiving the list of Class Members under Paragraph 14 (“Initial Mailing”). As Defendants maintained employment records on the putative class members, the identities of the class members are all known and service of the notice by U.S. Mail is the most likely to give actual notice to the greatest number of Class Members. Furthermore, one skip trace follow-up and re-mailing shall be completed by the Settlement Administrator on any returned notice packets within five (5) days of receiving the returned notice packet. The notice packet shall: (a) inform Class Members they are entitled to receive a share of the Net Settlement Fund unless they submit a timely request to opt-out; and (b) indicate the number of weeks the Class Member worked for Defendants during the Class Period and the estimated payment amount for that Class Member (assuming no opt-outs).

17. OPT-OUT REQUESTS AND OBJECTIONS TO THE SETTLEMENT

The Class Notice shall contain instructions for Class Members choosing to opt out of the Class or object to the Agreement. Class Members shall have forty-five (45) days from Initial Mailing to send the Settlement Administrator a written request to opt out of the Class or written objections to the Settlement. Only Participating Class Members may submit objections. To state a

valid objection to any portion of the settlement, a Class Member should provide the following information in the objection: (a) the full name and address of the Class Member; (b) a written statement of all of the grounds for the objection accompanied by legal support for the objection; (c) the signature of the Class Member or his/her counsel. The Settlement Administrator will distribute any objection received to the Court and all counsel. Plaintiff's counsel and Defendants' counsel may, at least five (5) calendar days (or such other number of days as the Court may specify) before the final approval hearing, file responses to any written objections filed with the Court. Class Members who do not timely object to this Agreement shall have no right to appeal the final approval order or judgment. The Parties and their respective counsel agree not to solicit or encourage any Class Member to object to the settlement or to appeal the final approval order or judgment.

18. SETTLEMENT PAYMENT TERMS AND CALCULATIONS

Within ten (10) days of the Defendants' payment of the Total Settlement Amount, the Settlement Administrator shall pay each Participating Class Member his or her Individual Settlement Payment, as set forth below. These payments shall be made from the Net Settlement Fund, which is defined as the Total Settlement Amount, less attorneys' fees (\$61,600), litigation costs (not to exceed \$7,000), settlement administration costs (not to exceed \$6,000), service award payments to Plaintiff (\$7,500), and the payment of \$6,000 to the Labor and Workforce Development Agency (LWDA) as part of the \$8,000 allocation to the PAGA claim asserted on behalf of all aggrieved employees. All allocations of attorneys' fees, litigation costs, service awards, and PAGA penalty payments are subject to the Court's approval.

The Parties agree that the Net Settlement Fund shall be used to fund payments to Participating Class Members (referred to herein as "Individual Settlement Payments"), which shall

be calculated as follows: First, an Original Workweek Value will be calculated by dividing the Net Settlement Fund by the total number of workweeks worked by all Class Members for any Defendant during the Class Period. The Original Workweek Value will then be used to calculate each Class Member's Individual Settlement Payment, which shall be the proportionate share and minimum amount each Class Member will receive based on the number of workweeks he or she worked for any Defendant during the Class Period, and which number will be included in the Class Members' Notice Packets. If a Participating Class Member worked any day during a workweek, it will be counted as a complete workweek for purposes of calculating the Individual Settlement Payment.

After the time for submitting opt-out requests or objections has passed, after final approval by the Court and after the Effective Date, the Net Settlement Fund will be dispersed among Participating Class Members. No amount of the Total Settlement Amount shall revert back to Defendants. If any Class Member opts out of the Settlement, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating Class Member based on workweeks attributed to those Class Members who have opted out of the Settlement.

Each Individual Settlement Payment will be allocated using the following formula: First, 20% of each Individual Settlement Payment will be treated as wages and subject to normal tax withholding and shall be reported to taxing authorities on an IRS Form W-2. The remaining 80% of each Individual Settlement Payment will be treated as prejudgment interest, penalties and statutory non-wage payments on which there will be no tax withholding and for which an IRS Form 1099 (marked "Other Income") shall be issued if the payment is above the minimum threshold required for the issuance of a Form 1099. The Individual Settlement Payment and the service awards to Plaintiff will not count or be counted for determination of eligibility for, or

calculation of, any employee benefits (e.g., vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, pension plans, matching contributions, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Defendants, unless otherwise required by law.

19. CHALLENGES TO ESTIMATED INDIVIDUAL SETTLEMENT PAYMENTS

A Class Member may challenge his or her Individual Settlement Payment estimate by writing to the Settlement Administrator regarding the number of workweeks he or she contends to have worked for Defendants as a Class Member during the Class Period, and timely submitting it with any accompanying supporting documentation or other evidence to the Settlement Administrator. Class Members shall have forty-five (45) days from Initial Mailing to submit these materials. If the Class Member does not provide any documents or other evidence, his/her challenge may be rejected by the Settlement Administrator. All other challenges will be resolved at the exclusive discretion and authority of the Settlement Administrator after seeking input from counsel for the Parties.

20. EFFECT OF INACTION BY CLASS MEMBERS

A Class Member who does not submit a timely and valid opt-out request to the Settlement Administrator shall be a “Participating Class Member” for purposes of the classwide settlement.

21. DISPUTE RESOLUTION PROCEDURE

Should any Party and/or Class Member dispute the timeliness or validity of an opt-out request, the amount of settlement compensation and/or any other issue arising out of the administration of settlement, counsel for Plaintiff and counsel for Defendants shall negotiate in good faith regarding a resolution. If the Parties do not agree upon a solution, then it shall be

submitted for resolution to the Court.

Should the parties have a dispute about the terms and conditions of the settlement, the dispute shall be submitted to the mediator, Nikki Tolt, Esq., for resolution before addressing the matter to the Court.

22. FINAL APPROVAL OF CLASS SETTLEMENT

Plaintiff shall be responsible for drafting and filing a Motion for Final Approval of this settlement that will seek an order adjudging these terms to be fair, reasonable and adequate, and directing consummation of its remaining terms and provisions.

Prior to the hearing on the motion for final approval of this Agreement, the Settlement Administrator shall provide a sworn declaration that it has sent the Court-approved Class Notice to the last known addresses of all Class Members.

In the event that the Court denies final approval of the Settlement and all reasonable efforts to seek reconsideration of that denial are exhausted, this Settlement Agreement, any related documents, and any order granting class certification in connection with this settlement will be null and void *ab initio*.

23. JUDGMENT

The Parties shall jointly request that, upon granting final approval on this Agreement, the Court should enter a judgment declaring that Plaintiff and all Class Members who have not opted out of the Class Action are bound by the release of claims described in the Class Notice, and reserve the Court's continuing jurisdiction over the construction, interpretation, implementation, and enforcement of this Agreement in accordance with its terms and over the administration and distribution of the settlement proceeds. A copy of that judgment shall be made available on the website maintained by the Settlement Administrator.

24. PAYMENT TO CLASS MEMBERS AND UNPAID FUNDS

(a) Within ten (10) days of the Defendant's payment of the Total Settlement Amount, the Settlement Administrator shall distribute the payments described in paragraph 18 to each Participating Class Member by mailing such checks, by first class mail, to each such Participating Class Member.

(b) If payment cannot be mailed to any Participating Class Member or is returned to the Administrator after mailing, the Settlement Administrator shall conduct a change of address search and resend the payment to the newly identified address, and also provide a report of such returned or unmailed payments to Plaintiff's and Defendants' counsel. Participating Class Members shall have one hundred eighty (180) days from the date their Individual Settlement Payment checks are dated to cash their settlement checks. Any checks that are not cashed upon the expiration of that 180-day time period or for which the Settlement Administrator is unable to obtain a valid mailing address shall be distributed to the State of California State Controller's Office Unclaimed Property Fund in the name and for the benefit of the individual Class Member.

25. SERVICE AWARD TO CLASS REPRESENTATIVE

The Court shall determine any amounts awarded to the Plaintiff as a service award. Defendants do not oppose Plaintiff's request for service awards of \$7,500 for Plaintiff. Within ten (10) days of the Defendants' payment of the Total Settlement Amount, the Settlement Administrator shall provide a check made payable to each of the Plaintiff for any service award approved by the Court. Service awards shall be paid out of the Total Settlement Amount and shall not impact the Individual Settlement Payments that Plaintiff would receive as a Participating Class Member. Because the Service Award represents payment to Plaintiff for his initiation and participation in the Class Action, and not wages, the Settlement Administrator will not withhold

any taxes from the Service Award. The Service Award will be reported on a Form 1099, which the Settlement Administrator will provide to Plaintiff and to the pertinent taxing authorities as required by law.

26. NOTICE AND PAYMENT TO LWDA

Consistent with California Labor Code section 2699(l)(2), Plaintiff's counsel shall provide a copy of this Agreement to the LWDA around the same time that it is submitted to the Court for preliminary approval, and shall submit proof of service to the Court.

The Parties agree that \$8,000 of the Total Settlement Amount shall be allocated as settlement of the PAGA claim asserted in the Class Action. Within ten (10) days of the Defendants' payment of the Total Settlement Amount, the Settlement Administrator will pay to the LWDA Six Thousand Dollars (\$6,000.00) as the LWDA's 75% portion of the PAGA settlement, which the Parties believe in good faith is a fair and reasonable apportionment. The remaining 25% shall remain in the Net Settlement Fund for distribution to Participating Class Members.

27. ADMINISTRATION OF TAXES AND TAX LIABILITY

Defendants make no representation as to the tax treatment or legal effect of the payments called for in this Agreement, and Plaintiff and Participating Class Members shall not rely on any statement, representation, or calculation by Defendants or by the Settlement Administrator in this regard. Plaintiff and Participating Class Members understand and agree that, except for Defendants' payment of the employer's portion of any payroll taxes, they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein.

28. CERTIFICATION BY SETTLEMENT ADMINISTRATOR OF DISTRIBUTION OF SETTLEMENT CHECKS AND NOTICES

Within 210 days of the distribution of settlement checks as set forth above, the Settlement Administrator shall provide a sworn declaration verifying that it has complied with its obligations as set forth in this Agreement and the Court's order and providing a summary and accounting regarding the disposition of settlement funds.

29. ATTORNEYS' FEES AND COSTS

Plaintiff's counsel may file a motion seeking payment of attorneys' fees (not to exceed \$61,600, which is thirty-five percent (35%) of the Total Settlement Amount) and litigation costs (not to exceed seven thousand dollars (\$7,000.00), all of which shall be paid from the Total Settlement Amount. Other than the foregoing, Plaintiff and Plaintiff's counsel waive any other right to seek attorneys' fees in connection with the Class Action, including any rights under the California Labor Code or any other applicable law, rule, or regulation. Within ten (10) days of the Defendants' payment of the Total Settlement Amount, the Settlement Administrator shall provide Plaintiff's counsel with a check made payable to counsel in a cumulative amount equal to the attorneys' fees and costs awarded by the Court.

30. RELEASE BY PARTICIPATING CLASS MEMBERS

As of the date Defendants fully fund the Total Settlement Amount, and except as to the rights and obligations created by this Agreement, all Participating Class Members (including Plaintiff himself), hereby release, dismiss and forever discharge Defendants S&W Janitorial Services, Inc., LA Maintenance & Janitorial and George Soliman (collectively "Released Parties") from all claims, causes of action, demands, rights and liabilities of every nature and description that are asserted in, arise from, or relate to the factual allegations and/or legal assertions made in

the Class Action, individually or on a class-wide basis, during the Class Period. This release extends to all claims for unpaid wages, premiums, restitution, and civil and statutory penalties under the California Labor Code, Wage Orders, applicable regulations, and/or provisions of state law governing wages and hours of work that were brought or that could have been brought in the Class Action based on the facts and allegations asserted in the operative Second Amended Complaint filed in the Class Action, including but not limited to, claims for unpaid overtime wages, double time wages, meal period violations, rest break violations, untimely payment of wages, wage statement violations, and unfair business practices pursuant to Business and Professions Code Section 17200 *et seq.* (“Released Claims”). As a result of this release, Participating Class Members will no longer be aggrieved employees for purposes of PAGA for the Released Claims during the Class Period.

31. RELEASE BY NAMED PLAINTIFF

As of the date Defendants fully fund the Total Settlement Amount, in addition to the claims being released by all Participating Class Members, Named Plaintiff will release and forever discharge the Release Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not asserted, which Plaintiff has or may have against the Release Parties as the date of the execution of this Settlement Agreement. To the extent the foregoing release is a release to which Section 1542 of the California Civil Code or similar provisions of other applicable law may apply, Plaintiff expressly waives any and all rights and benefits conferred upon them by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law which are 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.

32. NOTICES

All notices, requests, and demands and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be delivered personally or mailed, postage prepaid, by first-class mail, to the undersigned persons at their respective addresses as set forth herein:

Counsel for Plaintiff
Ashley Davenport
DAVENPORT LAW, PC
2298 E. Maple Avenue
El Segundo, CA 90245
Tel: (310) 504-3989

Counsel for Defendants:
Al Mohajerian
MOHAJERIAN APLC
1901 Avenue of the Stars, Suite 1100
Los Angeles, CA 90067
Tel: (310) 556-3800

33. REPRESENTATION BY COUNSEL

The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement and that this Agreement has been executed with the consent and advice of counsel.

34. NO ADMISSION OF LIABILITY

Defendants deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, or have any liability to anyone under the claims asserted in the Class Action. This Settlement is entered into solely for the purpose of compromising highly disputed claims. This Agreement and the settlement it contains are a compromise and shall not be construed as an admission of liability at any time or for any purpose, under any circumstance, by the Parties

to this Agreement or any Participating Class Member. The Parties further acknowledge and agree that this Agreement shall not be used to suggest an admission of liability in any dispute the Parties may have now or in the future with respect to any person or entity. Neither this Agreement nor anything herein, nor any part of the negotiations had in connection herewith, shall be offered or used as evidence with respect to any issue or dispute, except to enforce the terms of this Agreement.

Whether or not the Judgment becomes Final, neither the Settlement, any document, statement, proceeding or conduct related to the Settlement, nor any reports or accounting of those matters, will be (a) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendants or any other beneficiary of the releases granted under this Settlement (including 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, fault, wrongdoing, omission, concession or damage; or (b) disclosed, referred to or offered in evidence against any of the Released Parties, in any further proceeding in the Class Action, or any other civil, criminal or administrative action or proceeding except for purposes of effectuating this Settlement.

Notwithstanding the immediately preceding paragraphs of this Settlement, any and all provisions of this Settlement may be admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this Settlement, or in defense of any claims released or barred by this Settlement.

35. MODIFICATION OF AGREEMENT

This Agreement may not be modified or amended, except in writing signed by the respective counsel of record for the Parties, and as approved by the Court if necessary.

36. FURTHER COOPERATION

The Parties and their respective counsel shall proceed diligently to prepare and execute all documents, to seek the necessary Court approvals, and to do all things reasonably necessary or convenient to consummate the Agreement as expeditiously as possible.

37. CONSTRUCTION AND INTERPRETATION

This Agreement constitutes the entire agreement between the Parties. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other oral or written representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary or contradict the terms of the Agreement. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. This Agreement shall be subject to, governed by, construed, enforced and administered in accordance with the law of the State of California, both in its procedural and substantive aspects, and without regard for the principle of conflict of laws, and shall be subject to the continuing jurisdiction of the Superior Court of California for the County of Los Angeles under California Code of Civil Procedure §664.6. This Agreement shall be construed as a whole according to its fair meaning and intent, and not strictly for or against any party for its role in drafting this Agreement. Plaintiff and Defendants participated in the negotiation and drafting of this Agreement and had available to them the advice and assistance of independent counsel. As such, neither Plaintiff nor Defendants may claim that any ambiguity in this Agreement should be construed against the other.

38. SIGNATURES & COUNTERPARTS

This Agreement, any amendments or modifications to it, and any other documents required or contemplated to be executed in order to consummate this Agreement, may be executed in one

or more counterparts, each of which shall be deemed an original of this Agreement. Facsimile and scanned PDF signatures will be presumptive evidence of execution of the original, which shall be produced on reasonable request. Any executed counterpart will be admissible to prove the existence and contents of this Settlement.

39. BINDING EFFECT

This Agreement is binding upon the Parties to this Agreement, and shall inure to the benefit of their respective predecessors, successors, shareholders, officers, directors, employees, agents, trustees, representatives, administrators, fiduciaries, assigns, insurers, attorneys, subrogees, executors, partners, parents, subsidiaries, and privies. Without limiting the foregoing, this Agreement specifically shall be binding upon the spouses, children, heirs, assigns, successors and offspring of Plaintiff and Participating Class Members.

40. WAIVER

Any failure by any Party to insist upon the strict performance by any other Party of any provision of this Agreement shall not be deemed a waiver of any provision of this Agreement.

41. AUTHORITY OF COUNSEL

Counsel for Plaintiff, identified below, warrant, and represent that they are expressly authorized by Plaintiff to take all appropriate action required or permitted to be taken pursuant to this Agreement in order to effectuate its terms. Counsel for Defendants warrants and represents that they are authorized to take all appropriate action required or permitted to be taken by Defendants pursuant to this Agreement in order to effectuate its terms. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event 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 will seek the assistance of the Court, and in all cases all such documents, supplemental provisions and assistance of the Court will be consistent with this Settlement.

42. 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.

43. NO OTHER ACTIONS OR CLAIMS

Plaintiff represent and warrant that, other than the Class Action, he has no pending legal or administrative action or claim against any Defendant or Released Party, nor have any such other actions or claims been filed at any time after the Class Action was filed.

44. CONTINUING JURISDICTION

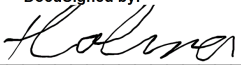
The Superior Court of California for the County of Los Angeles shall have continuing jurisdiction solely to construe, interpret and enforce the provisions of this Agreement; to supervise the administration and distribution of the resulting settlement funds; and to hear and adjudicate any dispute or litigation arising from this Agreement.

Provided that the Judgment is consistent with the terms and conditions of this Settlement, Plaintiff, Defendants, and Participating Class Members waive any and all rights to appeal from the Judgment. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings.

///

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date indicated below:

DATED: 12/15/2021

DocuSigned by:

8176D02F092664BA
Plaintiff Carlos Palma

S&W Janitorial Services, Inc.

DATED: _____

By: _____

Its: _____

LA Maintenance & Janitorial

DATED: _____

By: _____

Its: _____

DATED: _____

Defendant George Soliman

APPROVED AS TO FORM:

DAVENPORT LAW, PC

DATED: 12/14/2021

DocuSigned by:

5F8396350E064B9
Ashley A. Davenport, Esq.
Counsel for Plaintiff and Proposed Class

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date indicated below:

DATED:

Plaintiff Carlos Palma

S&W Janitorial Services, Inc.

DATED: 12-07-2021

By: GEORGE SOLIMAN

Its: OWNER

LA Maintenance & Janitorial

DATED: 12-07-2021

By: GEORGE SOLIMAN

Its: OWNER

DATED: 12-07-2021

Defendant George Soliman

APPROVED AS TO FORM:

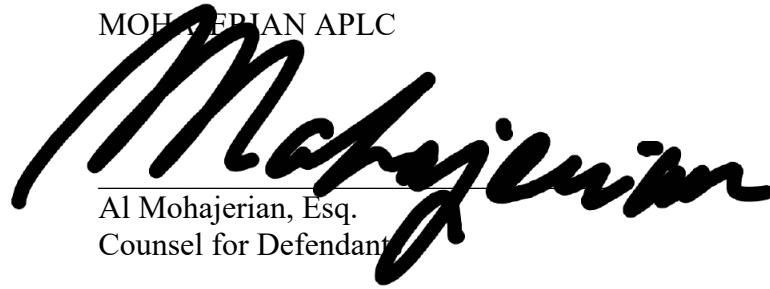
DAVENPORT LAW, PC

DATED:

Ashley A. Davenport, Esq.
Counsel for Plaintiff and Proposed Class

MOHAJERIAN APLC

DATED: 12/16/21


Al Mohajerian, Esq.
Counsel for Defendant