

CONFIDENTIAL SETTLEMENT AGREEMENT & GENERAL RELEASE

This Confidential Settlement Agreement and General Release (“Settlement Agreement” or “Agreement”) is made by and between (i) Jennifer Lee (“Lee”) and Denny Huang (“Huang”) (collectively, “Plaintiffs”) and (ii) First American Specialty Insurance Company (“First American”). Plaintiffs and First American shall collectively be referred to as “the Parties” and individually as a “Party.”

RECITALS

WHEREAS, Plaintiffs are former employees of First American; and

WHEREAS, on January 20, 2021, Plaintiffs filed a notice with the California Labor and Workforce Development Agency (“LWDA”) of their intention to file a representative action under California’s Private Attorneys General Act (“PAGA”); and

WHEREAS, on August 26, 2021, Plaintiffs filed a complaint in the Orange County (CA) Superior Court (the “Court”), Case No. 30-2021-01218245-CU-OE-CXC, currently pending before the Honorable William. D. Claster, alleging a single cause of action for violation of PAGA and seeking to recover civil penalties for various violations of the California Labor Code allegedly committed by First American (the “Action”); and

WHEREAS, on August 12, 2022, the Court (i) compelled the Plaintiffs’ individual PAGA claims to binding arbitration pursuant to arbitration agreements Plaintiffs entered into during their respective employment with First American (the “Individual Claims”) and (ii) stayed the representative component of the PAGA cause of action (the “Representative Claim”) pending the completion of Plaintiffs’ individual arbitrations; and

WHEREAS, the Parties attended a mediation with Hon. David J. Buckley (Ret.) of Signature Resolution on February 22, 2023 at which they agreed to settle, fully and finally, all claims Plaintiffs might have against First American up to and including the date of execution of this Agreement; and

WHEREAS, First American denies Plaintiffs’ allegations and denies that the Action has any merit;

NOW, THEREFORE, for and in consideration of the promises and undertakings described below, the Parties agree as follows:

AGREEMENT

I. TERMS OF THE SETTLEMENT

A. Settlement Amount and Conditions. In consideration for the promises made in this Agreement, First American will pay the total sum of Two Hundred Eight Thousand Dollars (\$208,000.00), less applicable taxes and withholdings (the “Settlement Amount”).

The payment of the Settlement Amount is conditional and will not be made if the Effective Date of this settlement does not occur. The “Effective Date” of this settlement is when the last of the following occurs: (1) all Parties execute this Agreement; (2) notice of this Agreement is provided to the LWDA; (3) the Court dismisses the entire Action, including the Individual Claims with prejudice and the Representative Claim without prejudice; (4) the Court enters an Order approving the Stipulation in Paragraph I.B.; (5) First American receives an fully executed copy of this Agreement, fully-executed IRS Forms W-4 for Lee and Huang, fully executed IRS Forms W-9 for Lee and Huang, and a fully-executed IRS Form W-9 for Genie Harrison Law Firm, APC; and (6) after the Effective date, which shall occur the later of the following: sixty-five (65) days after the Court enters an Order approving the Stipulation and dismissing the Action, and no appeal, objection, or petition to intervene has been taken or (b) if any appeal, objection or petition to intervene is brought, the date it is finally concluded and no longer is subject to review by any court.

Within ten (10) days after the Effective Date, First American shall deliver the Settlement Amount to the Genie Harrison Law Firm, APC in six (6) separate checks as follows:

1. A check made payable to “Jennifer Lee” in the gross amount of Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00), less applicable deductions and withholdings, for alleged lost wages to Lee. This payment shall be reported on an IRS Form W-2 for Lee.

2. A check made payable to “Denny Huang” in the gross amount of Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00), less applicable deductions and withholdings, for alleged lost wages to Huang. This payment shall be reported on an IRS Form W-2 for Huang.

3. A check made payable to “Jennifer Lee” in the gross amount of Sixteen Thousand Eight Hundred Seventy-Five Dollars (\$16,875.00), for alleged interest and statutory penalties to Lee, including Lee’s portion of agreed-upon PAGA penalties. This payment shall be reported on an IRS Form 1099 for Lee.

4. A check made payable to “Denny Huang” in the gross amount of Sixteen Thousand Eight Hundred Seventy-Five Dollars (\$16,875.00), for alleged interest and statutory penalties to Huang, including Huang’s portion of agreed-upon PAGA penalties. This payment shall be reported on an IRS Form 1099 for Huang.

5. A check made payable to the “Labor and Workforce Development Agency” in the gross amount of Eleven Thousand Two Hundred Fifty Dollars (\$11,250.00), for the LWDA’s 75% share of agreed-upon PAGA penalties.

6. A check made payable to “Genie Harrison Law Firm, APC” in the gross amount of Ninety-Three Thousand Dollars (\$93,000.00) for attorneys’ fees and costs. This payment shall be reported on an IRS Form 1099 for the Genie Harrison Law Firm, APC.

Within ten (10) business days of receiving the Settlement Amount, counsel for Plaintiffs shall transmit to the LWDA the check for the LWDA’s 75% share of the agreed-upon PAGA penalties, along with a copy of the Court order approving this Agreement and the PAGA allocation therein.

B. Conditions. The Parties acknowledge that this Agreement is subject to Court approval and that payment of the Settlement Amount by First American is conditioned upon (i) Court approval of the Agreement, (ii) dismissal of the entire Action, including dismissal of the Representative Claim without prejudice, and dismissal of the Individual Claims with prejudice. Within thirty (30) days of execution of this Agreement, the Parties shall jointly prepare and Plaintiffs shall file a joint stipulation in the Action requesting that the Court approve this Agreement and dismiss the entire Action, including the Representative Claim without prejudice and the Individual Claims with prejudice. The joint stipulation shall attach the Agreement and shall state that the stay on the Action is lifted only to the extent necessary to seek final approval of the settlement and further state that, should the settlement not be approved, the stay of the Representative Claim will remain in effect and the Individual Claims will proceed in binding private arbitration. The same day that Plaintiffs file the joint stipulation, Plaintiffs shall also submit a copy of the Agreement to the LWDA. If the Court does not approve this Agreement or if the Court does not dismiss the Representative Claim or Individual Claims as set forth herein, then this Agreement and the settlement contemplated herein shall be void ab initio, have no force or effect whatsoever, and the Parties will have no further obligation to perform under this Agreement.

C. Consideration. Plaintiffs acknowledge that, separate and apart from the Settlement Amount, they have been paid any and all amounts owed to them as a result of their employment with First American, including but not limited to all compensation (including final pay), wages, vacation/PTO, bonuses, commissions, benefits, leave entitlements (including any leave under the Family and Medical Leave Act and/or California Family Rights Act, or state or federal law), premiums and all other compensation of any nature whatsoever, as well as any business expenses that they incurred on behalf of First American. Plaintiffs understand and agree that the Settlement Amount specified herein constitutes consideration for this Settlement Agreement to which they would not be entitled but for their execution of this Agreement and the fulfillment of the terms and conditions set forth herein. To the extent that Plaintiffs believe any additional monies including, but not limited to, wages, overtime wages, or premium wages, are owed beyond what they have been paid, their entitlement to such is disputed and waived.

D. Acknowledgment. Plaintiffs represent that, other than the Action filed on August 26, 2021 and the Notice submitted to the LWDA on January 20, 2021, they have not filed any other lawsuits or administrative complaints and that they have not made any other charges, either in their name or on behalf of any other person or entity, against First American or any of the Released Parties (as defined in section II.C., below), in any local, state or federal court, with any arbitration provider (including the American Arbitration Association), or with any local, state, federal or administrative agency. Plaintiffs acknowledge that all claims raised herein shall be fully and finally extinguished by virtue of this Agreement. Plaintiffs further represent that they will not bring any arbitration or action in the future in which Plaintiffs seek to recover any damages, wages, penalties, fees, costs, interest or other monetary or injunctive relief from any of the Released Parties (as defined in Section II.C, below) relating to or arising from Plaintiffs' employment with or work for First American and/or the separation thereof, other than an action to enforce Plaintiffs' rights under this Agreement. The Parties also acknowledge and agree that they may seek actual damages, including monetary damages, for any breach of this Agreement, and that the prevailing party is entitled to recover attorneys' fees and costs.

E. Indemnification. Plaintiffs hereby acknowledge that they have obtained no tax advice from First American, and that neither First American nor its attorneys have made any representation concerning the tax consequences, if any, of the payment of the Settlement Amount in this Agreement. Plaintiffs agree that they are solely responsible for the tax consequences to them arising out of the payment of the Settlement Amount. Plaintiffs further agree that, in the event that any taxing authority looks to First American or any related entity for satisfaction of any tax liability or for payment of any tax-related liability of any kind including but not limited to penalties, fines, interest or withholdings, associated with the monies paid to Plaintiffs or their attorneys under this Agreement, Plaintiffs shall indemnify and hold harmless First American for all taxes, penalties, interest, withholdings, amounts paid in settlement to any taxing authority, and expenses.

II. GENERAL RELEASE

A. Release. In consideration for the promises set forth in this Agreement, Plaintiffs do hereby—for themselves and for their respective spouse (if any), heirs, representatives, attorneys, executors, administrators, successors, and assigns—release, acquit, remise, and forever discharge the Released Parties of any and all claims, obligations, demands, actions, rights, causes of action, and liabilities against the Released Parties, of whatever kind and nature, character, and description whether sounding in or arising under any tort, contract, federal, state, and/or local law, statute, ordinance, regulation, common law, or other source of law or contract, whether known or unknown, and whether anticipated or unanticipated, that could be or which are asserted based upon any theory or facts whatsoever, arising at any time up to and including the date of the execution of this Agreement. This includes, but is not limited to, all claims pled in the Complaint and claims for unpaid wages, waiting time penalties, pay stub violations, and all other claims for recovery including, but not limited to, damages, statutory penalties, civil penalties under California Labor Code sections 201-204, 210, 216, 218, 218.5, 218.6, 221-223, 226, 226.3, 226.7, 245-248.5, 256, 266.8, 510, 511, 512, 515, 558, 558.1, 1182.12, 1174, 1174.5, 1194, 1194.2, 1194.3, 1194.5, 1197, 1197.1, 1198, 1199, 2800, 2802, 2810.5, 2698, et seq., IWC Wage Order 4-2001, and any other applicable Wage Orders, Business and Professions Code section 17200 et seq., and any and all claims or potential claims for attorneys’ fees and costs. Plaintiffs, on behalf of the State of California, further release any and all claims under PAGA against the Released Parties.

B. Waiver – California Civil Code Section 1542. The Parties understand and agree that the Release, above, applies to claims, known and presently unknown by Plaintiffs, and that this means if, hereafter, Plaintiffs discover facts different from or in addition to those which they now know or believe to be true, that the releases, waivers, discharge and promise not to sue or otherwise institute legal action shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of such fact. Accordingly, Plaintiffs hereby agree that they fully and forever waive any and all rights and benefits conferred upon them by the provisions of Section 1542 of the Civil Code of the State of California which states 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.

C. Released Parties. The “Released Parties” are First American Specialty Insurance Company, First American Property & Insurance Casualty Insurance Agency, Inc., and all entities affiliated with them (including all entities within the First American Family of Companies), and all present and former officers, directors, employees, agents, insurers, assigns, representatives, owners, partners, subsidiaries, parent companies, joint venturers, shareholders, clients, joint employers, predecessors, managers, members, servants, successors-in-interest, assigns, attorneys, all persons or entities acting in concert with or affiliated with any of them, and any person or entity that could be liable for the Released Claims.

D. No Prior Assignments. Plaintiffs hereby represent and warrant that they have not assigned or transferred, or purported to assign or transfer, to any third person or entity, any claim, right, liability, demand, petition, obligation, expense, action or causes of action being waived or released pursuant to this Agreement.

E. Cooperation. Plaintiffs agree and understand that, except as may be required by subpoena, court order, or other force of law, Plaintiffs shall not in any way assist any individual or entity in commencing or prosecuting any action or proceeding, complaints or any lawsuit against any Released Party, in any form or forum, or in any way participate or cooperate in any such action or proceeding, including any trial, pretrial preparation, or pre-litigation fact-gathering connected with any and all matters arising from any event that has occurred up to the present time. Absent legal compulsion, this Agreement bars Plaintiffs from testifying, providing documents or information, advising, providing a written statement, counseling or providing any other form of assistance to any person or entity who wishes to make or who is making any claim against any of the Released Parties, arising from any event occurring up to the execution of this Agreement. Notwithstanding the foregoing, nothing herein shall bar Plaintiffs from participating in any administrative claim brought with or by the Equal Employment Opportunity Commission, California Civil Rights Department, National Labor Relations Board, or other government agency, provided, however, that Plaintiffs waive their right to any monetary recovery or relief in connection with any such claim, except to the extent such waiver is contrary to applicable law.

III. MISCELLANEOUS

A. Return of Property. Plaintiffs represent that they have returned all of First American’s property, including any and all keys, passwords, usernames and other login information, external hard drives, laptops, phones, software, spreadsheets and any other property and/or information that they may have received, created, or accessed as an employee of First American, or any other documents or data stored on any of First American’s devices or on any personal device. Plaintiffs agree not to retain, and to return immediately, any copies of any property, documents, spreadsheets or information, including but not limited to paper documents or items stored in any electronic format, which were made or compiled by them, or made available to them, relating to First American, First American’s clients, or any of them.

B. Attorneys' Fees and Expenses. The Parties hereby agree and understand that they shall each bear their own attorneys' fees and costs. The Parties also hereby agree and understand that the prevailing party to any action to enforce this Agreement will recover attorneys' fees and expenses related to the action.

C. No Admission. The Parties hereby acknowledge, recognize, and understand that nothing contained in this Agreement shall constitute, be construed or be treated as an admission of liability or wrongdoing by Plaintiffs or any Released Party.

D. Governing Law. The Parties hereby agree that California law shall govern the construction, interpretation, and enforcement of this Agreement.

E. Enforcement of Agreement. The Parties agree that any controversy or claim arising out of or relating to the subject matter in this Agreement, and/or any aspect of Plaintiffs' employment with or separation from First American, shall be submitted to final and binding arbitration on an individual basis with the American Arbitration Association ("AAA"), pursuant to the terms of the Dispute Resolution Agreements entered into by Lee and Huang on July 16, 2019 and April 17, 2019, respectively.

F. Severability and Construction. The Parties agree that if any provision, or portion thereof, of this Agreement shall for any reason be held to be invalid or unenforceable or to be contrary to public policy or any law, then the remainder of the Agreement shall not be affected thereby so long as the General Release provided for herein remains in full force and effect. The normal rule of construction that any ambiguity or uncertainty in a writing shall be interpreted against the party drafting the writing shall not apply to any action on this Agreement.

G. Successors. This Agreement shall be binding upon the Parties, and their heirs, representatives, executors, administrators, successors, insurers, and assigns, and shall inure to the benefit of each and all of the Released Parties, and to their heirs, representatives, executors, administrators, successors, and assigns.

H. Counterpart and Electronic Signatures. This Agreement may be executed in counterpart originals with like effect as if executed in a single original document. The Parties further agree that electronic signatures or scanned signatures sent electronically are valid original signatures.

I. Results of Negotiation; Knowing and Voluntary Execution. The Parties hereby acknowledge that the terms and language of this Agreement are the result of negotiation between them, and that each has read and understands the foregoing Agreement and that each affixes their respective signature to this Agreement knowingly, voluntarily and without coercion. Plaintiffs acknowledge that they were provided a reasonable opportunity of at least five business days to seek the advice of counsel and consider this Agreement.

J. Entire Agreement. The Parties hereby acknowledge and agree that no promises or representations were or are made which do not appear written in this Agreement, that this

Agreement contains the entire agreement by the Parties, and that neither is relying on any representation or promise that does not appear in this Agreement.

PLAINTIFFS HAVE READ THIS AGREEMENT CAREFULLY.
THIS AGREEMENT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN
CLAIMS AND WILL SERVE AS A DEFENSE TO ANY CLAIM OR LAWSUIT THAT
THEY MAY BRING AGAINST THE RELEASED PARTIES.

Date: 04/03/2023



Jennifer Lee

Date: 04/03/2023

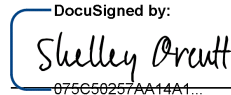


Denny Huang

On Behalf of First American
Specialty Insurance Company

Date: 4/6/2023

By: _____

DocuSigned by:

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Name: Shelley Orcutt

Title: Sr. Employment Law Counsel