

PAGA SETTLEMENT & RELEASE AGREEMENT

IT IS HEREBY STIPULATED AND AGREED by and between the Parties, Plaintiff, Ross Felix, for himself and on behalf of the State of California and all alleged "aggrieved employees", including himself and Gaurav Gupta (aka "Group Members" or "PAGA Plaintiffs") pursuant to the Private Attorneys General Act ("PAGA") on the one hand, and Defendants Medversant Technologies, LLC ("MEDVERSANT"), and Matthew Haddad ("HADDAD"), on the other hand (with Plaintiffs and Defendants collectively, also referred to as the "Parties"), subject to the approval of the Court in accordance with California Labor Code section 2699(l)(2), that the Settlement of this Action shall be effectuated upon and subject to the following terms and conditions.

I. DEFINITIONS

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

(a) "PAGA Action" means the eleventh cause of action pled in the civil action filed in Los Angeles County Superior Court by Plaintiff against Defendants (Case Number 21GDCV01190), in which Plaintiff asserts a representative PAGA claim for PAGA penalties against Defendants.

(b) "Agreement" herein means this PAGA Settlement & Release Agreement.

(c) "Court" means the Superior Court for the State of California, County of Los Angeles.

(d) "Defendants" means the Defendants in this Action, Medversant Technologies, LLC ("MEDVERSANT"), and Matthew Haddad ("HADDAD").

(e) "Defense Counsel" or "Counsel for Defendant" means:

C. Dennis Loomis (SBN 82359)
Buchalter Law Firm
1000 Wilshire Boulevard, Suite 1500
Los Angeles, CA 90017-1730
Telephone: (213) 891-5159
Email:cdloomis@buchalter.com

(f) "Effective Date" means the date by which the Court has entered the Order approving the Joint Stipulation to approve the Settlement Sum in the Agreement which will be jointly sought by the Parties.

(g) "Order" means: (1) the Court order entered approving this Agreement and all of its terms, which will be sought by the Parties through a Joint Stipulation of the Parties for purposes of approval of the Settlement Sum in the Agreement; (2) the Court adopting and approving this Agreement (and the terms of Settlement described herein) under the specific terms requested; and (3) the Court retaining jurisdiction over the enforcement, implementation, construction, administration, and interpretation of the Settlement.

- (h) "LWDA" means the State of California Labor and Workforce Development Agency.
- (i) "Named Plaintiff" or "Plaintiff" means Ross Felix.
- (j) "PAGA" means the Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.*
- (k) "PAGA Claim" means Plaintiff's claim for PAGA penalties that: (1) arose or may be alleged to have arisen at any time from March 4, 2020 until the date of execution of this Agreement, and (2) are based on or arise from alleged violations of the following Labor Code provisions including but not limited to: 98.6, 200, 201, 202, 203, 203.1, 204, 210, 215, 216, 221, 223, 225.5, 226, 226.3, 226.4, 226.6, 226.7, 227, 227.3, 500, 510, 512, 558, 558.1, 1102.5, 1174, 1174.5, 1175, 1194, 1194.2, 1197.1, 1198, 1199, 2699, *et. seq.*, 2751, and applicable sections of the IWC Wage Order.
- (l) "PAGA Settlement Group Members" means Plaintiff, and all MEDVERSANT employees who were not paid their wages or who were not timely paid their wages including but not limited to FELIX and GAURAV GUPTA (GUPTA) as aggrieved employees or PAGA Plaintiffs.
- (m) "Plaintiff's Counsel" or "PAGA Counsel" means:
- Thomas M. Diachenko (SBN 140763)
Law Offices of Thomas M. Diachenko, APC
1916 Third Avenue
San Diego, CA 92101
Telephone: (619) 699-5870
Email: thom@diachenkolaw.com
- (n) "Released Parties" means Defendants MEDVERSANT and HADDAD.
- (o) "Settlement" means the Parties' agreement, as detailed herein, to resolve the PAGA Action, which includes all civil penalties, related costs and fees as asserted therein, including but limited to all claims, demands, actions, suits, causes of action, administration costs, fines, interest, compensation and liabilities alleged in, arising from or related to the PAGA Claim.
- (p) "Settlement Sum" means the total gross settlement amount of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) to be paid by Defendants as provided by this Agreement to fully and finally settle, resolve and conclude this PAGA Action as provided under this Agreement, without any admission of fault or liability.

II FACTUAL BACKGROUND

On or about March 4, 2021, Plaintiff submitted a letter to the LWDA and Defendants ("PAGA Notice Letter"), in accordance with the requirements of Labor Code section 2699.3(a), to notify the LWDA of alleged violations of the California Labor Code by Defendants arising from Plaintiff's employment relationship with MEDVERSANT. The PAGA notice letter alleged that Defendants had violated various California Labor Code sections, including but not necessarily limited to sections 98.6, 200, 201, 202, 203, 203.1, 204, 210, 215, 216, 221, 223, 225.5, 226, 226.3, 226.4, 226.6, 226.7, 227, 227.3, 500, 510, 512, 558, 558.1, 1102.5, 1174,

1174.5, 1175, 1194, 1194.2, 1197.1, 1198, 1199, 2699, et. seq., 2751, and applicable sections of the IWC Wage Order. The LWDA failed to respond to the PAGA Notice Letter within the 65-day time limit, the state lost its authority to proceed or interfere with the PAGA prosecution by Plaintiff and his counsel. Prior to the date of signing this agreement, the LWDA has not advised Plaintiff or his counsel about any investigation of the alleged violations or any interest to investigate, even if it did have the authority to do so after ceding it to Plaintiff and his counsel.

- (a) On or about May 12, 2021, more than 65 days after the LWDA letter, Plaintiff filed his First Amended Complaint in Los Angeles Superior Court (Case Number 21GDCV01190), which included a PAGA representative eleventh cause of action for various Labor Code violations against Defendants both as an individual and in his capacity as a private attorney general on behalf of the PAGA Settlement Group Members under PAGA (the "PAGA Claim").
- (b) The May 12th, 2021, First Amended Complaint added a cause of action for PAGA penalties as it pertained to California Labor Code sections, 98.6, 200, 201, 202, 203, 203.1, 204, 210, 215, 216, 221, 223, 225.5, 226, 226.3, 226.4, 226.6, 226.7, 227, 227.3, 500, 510, 512, 558, 558.1, 1102.5, 1174, 1174.5, 1175, 1194, 1194.2, 1197.1, 1198, 1199, 2699, et. seq., 2751, and applicable sections of the IWC Wage Order. A Second Amended Complaint was filed thereafter asserting the same PAGA claims.
- (c) This Agreement sets forth the terms and conditions solely of the resolution of PAGA Claims asserted in the eleventh cause of action, on behalf of the State of California and the PAGA Settlement Group Members, which includes FELIX and GUPTA.
- (d) The Parties recognize that the issues presented in this matter are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the potential benefits of litigation. The Parties have considered the risk and uncertainty of the outcome inherent in any litigation.
- (e) The Parties and their respective Counsel have diligently pursued an investigation of the PAGA Settlement Group Members' PAGA penalty claims against Defendants. The Parties engaged in discovery concerning the PAGA claims.
- (f) The Parties arrived at the settlement after extensive, arms-length negotiations, consideration of all relevant factors, present and potential.
- (g) Based on their own independent investigations and evaluations, the Parties and their respective counsel believe and agree that this Agreement, the settlement for the consideration, and on the terms set forth in this Agreement, is not "unjust, arbitrary and oppressive, or confiscatory" as required by Labor Code section 2699 (e)(2), and is in the best interests of the Plaintiff, the PAGA Settlement Group Members and Defendants in light of all known facts and circumstances and the risks inherent in litigation.
- (h) The Parties reached this Settlement only after depositions, written discovery, and investigation were performed.
- (i) Defendants dispute and deny Plaintiff's allegations and various causes of action asserted

in the PAGA letters, including, without limitation, the PAGA Claims asserted in Plaintiff's eleventh cause of action being resolved by this Agreement.

III. APPROVAL AND IMPLEMENTATION OF SETTLEMENT

A. Cooperation

The Parties will cooperate in seeking approval of the Settlement described in this Agreement, including by drafting and filing the Joint Stipulation and Order, as referenced in this section. The Parties further agree to fully and promptly cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed and shall take all steps that may be requested by the Court relating to the approval and implementation of the Settlement described in this Agreement.

Within fifteen (15) calendar days of the parties' execution of this Agreement, the Parties agree to file the Joint Stipulation and Order, in Los Angeles County Superior Court, for the sole purpose of obtaining the Court's approval of this settlement.

B. Court Approval

Because this Action includes a PAGA claim, this Agreement requires review and approval by the Court. See Cal. Lab. Code § 2699(l)(2). However, as explained in *Arias v. Superior Court* (2009) 46 Cal.4th 969, the Parties are not obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement through a motion for preliminary or final approval. Also, unlike a class action neither the state nor a PAGA Settlement Group Member has standing to object to the PAGA settlement. Instead, in order to comply with the requirements of Labor Code section 2699, the Parties shall submit a joint stipulation to the Court identifying the terms of the settlement and requesting that the Court approve the Settlement. Accordingly, the Parties enter into this Agreement on a conditional basis. This Agreement is expressly contingent upon the Court's approval of this Settlement and the terms and material conditions of this Agreement.

If the Court does not grant the Parties' request for approval of the PAGA Settlement and issue the Order, under the specific terms requested, the Parties agree to request leave and work jointly to attempt to remedy the PAGA settlement in order to obtain the Court's approval, including to meet and confer within seven (7) calendar days of the Court's order and to work cooperatively to address the Court's concerns and determine whether resolution of the PAGA Claim can be obtained in a manner consistent with the Court's concerns.

Plaintiff shall submit a copy of the Order in this Action and a copy of any other order providing for or denying an award of civil penalties to the LWDA within 10 days after entry of the Order, in compliance with section 2699(l)(3) of the California Labor Code.

C. Settlement Sum Payment Procedures

(a) Settlement Sum

In exchange for Plaintiff's release of any and all claims for civil penalties asserted or

that could have been asserted under California Labor Code Sections 2698, et seq. (including PAGA penalties payable in part to the State of California) against Defendants and the Released Parties, as well as the obligations and promises set forth in this Agreement (and subject to the terms and conditions in this Agreement, Defendants agree to pay the Fifteen Thousand Dollar (\$15,000) Settlement Sum allocated as follows:

- (1) Payment of PAGA Penalties: Separate from the individual non-PAGA claims, the total sum available for payment of PAGA penalties shall be Ten-Thousand Dollars (\$10,000) ("Net Settlement Amount"). Seventy-five percent (75%) of the Net Settlement Amount (\$7,500) shall be paid to the LWDA ("LWDA Penalty Payment") and the remaining twenty-five percent (25%) (\$2,500) shall be distributed equally to the PAGA Settlement Group Members, who were employed by MEDVERSANT as of March 4, 2020, until the date of execution of this Agreement.
- (2) Attorneys' Fees and Costs: Five Thousand Dollars (\$5,000) for fees and costs which are unique and distinct from the fees and costs incurred for prosecution of the individual claims.

(b) Funding and Distribution Process

Payment of the \$10,000 Settlement Sum for the PAGA penalties shall be made within ten (10) business days of the Effective Date as follows:

- (3) Defendants shall deliver to each PAGA Settlement Group Member equal shares of the PAGA penalty payments directly to the "aggrieved employees" to their last known physical address on file with Defendants in its regularly maintained records for all other Aggrieved Employees, except for FELIX and GUPTA.
- (4) Defendants shall deliver to the Law Offices of Thomas M. Diachenko, APC" at 1916 3rd Avenue, San Diego, CA, 92101 a check to the LWDA as and for the LWDA Penalty Payment, in the amount calculated pursuant to the terms of this Agreement (\$7,500) with an enclosure letter copying Defense Counsel on same. Defendants shall deliver PAGA settlement checks/payments for FELIX and GUPTA certified/registered mail to Plaintiff's Counsel at 1916 Third Avenue, San Diego, CA 92101.
- (5) Defendants also shall deliver a check for \$5,000 made payable to the "Law Offices of Thomas Diachenko, APC" delivered via certified/registered mail to Plaintiff's Counsel at 1916 Third Avenue, San Diego, CA 92101 within 30 calendar days of the Court's approval of the PAGA settlement or by the last day of the month following approval of the PAGA settlement, whichever occurs later.

(c) Tax Indemnity

The Net Individual Penalty Payments are penalties, shall be reported on an IRS Form 1099 (to the extent required by law), and will not be subject to local, state or federal tax withholdings. Plaintiff and each PAGA Settlement Group Member will be responsible for paying all

applicable state, local and federal income taxes on all amounts received pursuant to this Settlement, if any, and they shall not seek any indemnification from the Released Parties in this regard.

IV. DISMISSAL OF ACTION WITH PREJUDICE

Plaintiff will serve an executed Request for Dismissal with Prejudice of the PAGA Action to the Court within ten (10) calendar days of: (i) the conclusion of the disbursement of settlement pursuant to Section C of this Agreement.

V. LIMITATIONS ON USE OF THIS SETTLEMENT

A. No Admission

Defendants dispute that Plaintiff or any PAGA Settlement Group Member are entitled to receive any penalties. This Agreement is entered into solely for the purpose of compromising disputed claims. This Agreement and the payment of the Settlement Sum and the other considerations recited herein represent the compromise of disputed claims. Nothing in this Agreement is intended as or may be construed as an admission of liability, unlawful conduct, or wrongdoing by Defendants (and/or any of the Released Parties) in any way, shape or form, and Defendants and the Released Parties deny any such liability or wrongdoing.

VI. RELEASE AND WAIVER OF CLAIMS

A. Section 1542 Waiver by Plaintiff

It is the intention of the Parties in executing this instrument that it shall be effective as a bar to each claim specified in this Agreement for Plaintiff's representative PAGA claims, and not any individual claims pursued by FELIX and GUPTA which are governed by a separate agreement. In furtherance of this intention, Plaintiff hereby waives the provisions of Section 1542 of the California Civil Code, which 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.

B. PAGA Settlement Group Member Release

Upon entry of the Order, Plaintiff, all PAGA Settlement Group Members on behalf of themselves and their respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, successors and assigns, and the State of California shall be deemed to have fully, finally, and forever waived, released, relinquished, and discharged Defendants and each and all of the Released Parties from the PAGA Claims as defined above. Specifically, in exchange for the payments described above, Plaintiff, on behalf of himself, the State of California, and the PAGA Settlement Group Members, will release Defendants from liability for any and all claims for civil penalties under the PAGA

Claim related to the alleged Labor Code violations that may be brought under the PAGA. To the extent an alleged PAGA violation arises directly from the operative facts pled in the PAGA Letter and implicates the same primary rights and defenses being settled here except for Plaintiff's non-PAGA, individual claims, those claims are settled and released to the fullest extent permitted under applicable law.

C. No Additional Attorneys' Fees or Costs

The Parties agree to bear their own attorneys' fees and costs related to this PAGA Action except as specifically provided above with respect to the amount allocated for fees and costs described above and for Plaintiff's non-PAGA, individual claims (which are settled and released in a separate settlement agreement), and the Parties waive all rights to attorneys' fees and costs in connection with the PAGA Claim except to enforce this Agreement or Settlement.

VII. MISCELLANEOUS PROVISIONS

A. LWDA Notice

The LWDA will be given notice of this Settlement pursuant to the 2016 amendments to the PAGA. Cal. Lab. Code § 2699(l)(2). Plaintiff will serve a copy of the Settlement to the LWDA on the same day the Settlement is filed with the Court along with the proposed Order and Joint Stipulation.

Additionally, a copy of the Court's Order approving the PAGA Settlement will be submitted to the LWDA within ten (10) days after entry of the Order, pursuant to California Labor Code § 2699(l)(3).

B. Voluntaryness

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm, or other entity.

C. Amendments

The terms and provisions of this Agreement may be amended or modified only by an express written agreement that is signed by the Plaintiff and an authorized representative of Defendants.

D. Assignment

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, PAGA Settlement Group Member, the State of California, Plaintiff's Counsel, or Defense Counsel without the express written consent of each Party unless otherwise required by law. Plaintiff expressly warrants that he has not transferred to any person or entity any right or cause of action, or claim released by this Agreement.

E. Governing Law

This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, irrespective of the State of California's choice of law principles.

F. Waiver of Compliance

A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

G. Counterparts

This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or its/their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. A fax, electronic, or PDF signature on this Agreement shall be as valid as an original signature.

H. Meet and Confer Regarding Dispute(s)

Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, Plaintiff's Counsel and Defense Counsel shall meet and confer within seven (7) calendar days of such dispute(s) in an attempt to resolve such dispute(s) prior to submitting such disputes to the Court.

I. Agreement Binding on Successors

This Agreement shall bind and inure to the benefit of the Parties hereto and to their respective successors, assigns, legatees, heirs, and personal representatives.

J. Cooperation in Drafting

The Parties have cooperated in the negotiation and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Agreement.

K. Fair Settlement

Plaintiff, Defendants, Plaintiff's Counsel, and Defense Counsel believe that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms' length negotiation, consideration of all significant relevant factors, current and potential, and is consistent with public policy, and fully complies with applicable provisions of law.

L. Continuing Jurisdiction

The Parties agree that upon the occurrence of the Order pursuant to the terms of this Agreement, this Agreement shall be enforceable by the Court pursuant to Code of Civil Procedure section 664.6 and the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties and the PAGA Settlement Group Members to the fullest extent to interpret, enforce and effectuate the terms, conditions, intents and obligations of the Agreement.

M. No Collateral Attack

The Parties agree that this Agreement may not be subject to collateral attack by any PAGA Settlement Group Member or the State of California prior to or after entry of the Order, to the fullest extent permitted by law.

N. Fees & Costs to Enforce

If any Party fails to comply with the terms of this Agreement, the non-breaching Party shall be entitled to seek relief from the Court to enforce the terms of this Agreement pursuant to CCP section 664.6 and recover reasonable costs and fees as a "prevailing" party.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date set forth below.

APPROVED AND ACCEPTED.

Dated: ~~June~~ ^{July} 31, 2026



Ross Felix, Plaintiff and PAGA Representative

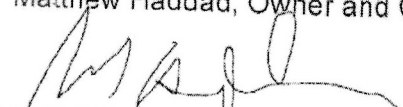
Dated: ~~June~~ 30, 2026

MEDVERSANT TECHNOLOGIES, LLC

By 

Matthew Haddad, Owner and CEO

Dated: ~~June~~ 30, 2026



Matthew Haddad, Defendant, on his own behalf