

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the “Agreement”) is made and entered into by and between Anthony Lumia (“Lumia”) and California Traffic Control Services, Inc. (“CTC”). Lumia and CTC shall sometimes be referred to herein individually as a “Party” and collectively as the “Parties.”

DEFINITIONS

1. **Lumia:** Refers to Anthony Lumia.
2. **CTC:** Refers to California Traffic Control Services, Inc.
3. **Effective Date:** The Effective Date of the Settlement will be the later of either: (i) the date of final exhaustion of any appeal of the Settlement and entry of judgment where the enforceability of the Settlement Agreement has been upheld, or (ii) 61 days after the Court enters an order granting final approval of the Settlement and entry of judgment, and there is no challenge or appeal of the Settlement filed. There will be no funding required by CTC until after the Effective Date.
4. **Gross Settlement Amount:** Twenty-Five Thousand Dollars and No Cents (\$25,000.00), which includes all attorneys’ fees and costs/expenses to PAGA Counsel, any enhancement awards and payments to Anthony Lumia, any payments to the LWDA, or to the PAGA Members. The only sums owed in excess of \$25,000 by CTC to any party shall be the employer’s share of taxes on any wages paid pursuant to the Settlement Agreement, which are zero.
5. **LWDA:** California Labor and Workforce Development Agency.
6. **Net Settlement Amount:** The Gross Settlement Amount less proposed attorneys’ fees and costs, enhancement award to Lumia, PAGA payment to the LWDA, PAGA payments to the PAGA Members, and Settlement Administrator costs.
7. **PAGA:** Labor Code Private Attorneys General Act of 2004.
8. **PAGA Counsel:** Counsel who represents Anthony Lumia, the individual asserting PAGA claims, is Brent Buchsbaum of Law Offices of Buchsbaum & Haag, LLP.
9. **PAGA Members:** All allegedly aggrieved persons who worked for CTC as non-exempt, hourly-paid traffic controllers in California, at any time from July 14, 2020 to the date of approval of this Agreement by the Court as to all alleged PAGA Members.
10. **PAGA Period:** From July 14, 2020 to the date of approval of this Agreement by the Court as to all alleged PAGA Members.
11. **Released Parties:** California Traffic Control Services, Inc. and any of their past, present and future direct or indirect parents, subsidiaries, predecessors, successors and affiliates, including Hill Crane Services, Inc., as well as each of its or their past, present and future officers,

directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with CTC.

12. **Settlement Administrator:** CTC shall self-administer the payments to the PAGA Members, and the Settlement Administrator's costs shall be borne by CTC so as to maximize the portion of the settlement to the aggrieved employees.

RECITALS

A. Lumia was formerly employed by CTC, ending his employment on or about April 29, 2022.

B. On or about July 14, 2021, Lumia transmitted a letter to the California Labor and Workforce Development Agency ("LWDA") asserting that CTC failed to comply with various provisions of the California *Labor Code* (the "PAGA Notice"). Lumia seeks penalties pursuant to the California Labor Code Private Attorneys General Act ("PAGA") as set forth in California *Labor Code* §2698 *et. seq.*, on behalf of all current and former non-exempt traffic controllers of CTC in California who were employed by CTC at any time from July 14, 2020, though the date of approval of this settlement ("PAGA Claim Employees") for asserted violations of California *Labor Code* §§ 201, 202, 203, 204, 221, 226, 226.3, 226.7, 510, 512, 515, 558, 1174, 1194, 2802 and California Industrial Welfare Commission ("IWC") Wage Order 16-2001 (the "Representative PAGA Claims"). The PAGA Notice will hereinafter be referred to as the "Action," and is attached hereto as **Exhibit A**.

C. On April 18, 2022, the Parties attended a full day mediation session with experienced wage and hour mediator, Glenn Lerman, Esq. of ADR Services, Inc.. After extensive arms-length negotiations, the Parties reached a settlement of the Representative PAGA Claims. The settlement is detailed in this Agreement, which the Parties will seek approval of with the Los Angeles County Superior Court by means of a Motion for Approval of PAGA Settlement (the "Motion").

D. The Parties acknowledge that there is a bona fide dispute as to the merits of Lumia's claims. The Parties further desire to compromise, settle and release any and all PAGA claims predicated on the alleged Labor Code violations to Lumia individually and all allegedly aggrieved employees as set forth in the Action.

E. The Parties believe and agree that the PAGA Settlement herein provides for a fair, adequate, and reasonable resolution of the PAGA claims, and have arrived at the settlement in extensive, arms-length negotiations, taking into account all relevant factors, present and potential.

F. By this Agreement, the Parties have settled, fully and finally, all PAGA claims that Lumia has or might have against CTC, up to and including the date of approval of this agreement, including but not limited to those claims which could be asserted in any PAGA lawsuit, or any PAGA administrative, civil, or governmental proceeding and any claims that could be asserted by the PAGA Claim Employees related to the Representative PAGA Claims.

NOW, THEREFORE, in consideration of the terms, conditions, and promises set forth herein, the Parties agree as follows:

1. Release

Upon the Effective Date, the claims released by PAGA Members will include all claims pled in any of the letters (or amendment(s) or attachment(s)) sent to the LWDA by or on behalf of Lumia, or based upon the factual allegations and/or claims pled, against the Released Parties (as defined above), for work performed during the PAGA Period, including the following:

- a. Any and all claims pled, or based on the factual allegations alleged in any of the letters (or attachment(s)) sent to the LWDA by or on behalf of Lumia, whether known or unknown, to which PAGA Members, including Lumia, may have been entitled or may be entitled from July 14, 2020 to the date of approval of this Agreement by the Court as to all alleged PAGA Members against any of the Released Parties, including claims based on or arising from alleged violations of California Labor Code sections 201, 202, 203, 204, 221, 226, 226.3, 226.7, 510, 512, 515, 558, 1174, 1194, and 2802; and to the fullest extent permissible under governing law, Business and Professions Code 17200, the California Code of Regulations and/or Industrial Welfare Commission Wage Orders, including, but not limited to Wage Order 16-2001, the Fair Labor Standards Act of 1938, 29 U.S.C. § 201, *et seq.*, and any and all other statutes, laws, or regulations on which a claim could be made;
- b. Any and all claims for injunctive relief, declaratory relief, restitution, fraudulent business practices or punitive damages alleged, or which could have been alleged under the facts, as alleged in any of the letters (or attachment(s)) sent to the LWDA by or on behalf of Lumia; and

In addition, as to the claims of Lumia, the Released Claims further include, without limitation, any and all claims whatsoever regarding Lumia's employment and/or the termination of employment including, but not limited to, any claims for wages, bonuses, severance pay, vacation pay, penalties, employment benefits, stock options, violation of any personnel policy, any claims based on discrimination, harassment, unlawful retaliation, violation of public policy, or damages of any kind whatsoever, arising out of any common law torts, contracts, express or implied, any covenant of good faith and fair dealing, any theory of wrongful discharge, any theory of negligence, any theory of retaliation, any legal restriction on CTC's right to terminate the employment relationship, or any federal, state, or other governmental statute, executive order, regulation or ordinance, or common law, or any other basis whatsoever, to the fullest extent provided by law. Plaintiffs shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished to the fullest extent permitted by law the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law that purports to limit the scope of a general release. Further, Lumia attests, for himself, to having read Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH 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.

Lumia understands that Section 1542 gives the right not to release existing claims of which they are not now aware, unless Lumia voluntarily chooses to waive this right. Having been so apprised, Lumia nevertheless voluntarily waived the rights described in Section 1542, and elects to assume all risks for claims that now exist in his favor, known or unknown. The release of the claims of Lumia as set forth in this Paragraph is a condition precedent to enforcement of the Settlement Agreement.

2. Gross Settlement Amount

As consideration for the Released Claims, CTC agrees to pay a Gross Settlement Amount described as follows:

- a. CTC agrees to pay Twenty-Five Thousand Dollars and No Cents (\$25,000.00) to resolve the claims of the PAGA Members. With the exception of CTC's share of employment taxes, which shall be paid separately by CTC, the Gross Settlement Amount will include all payments to the PAGA Members, the LWDA, attorneys' fees, costs approved by the Court, and the enhancement award to Lumia, if any. In no event shall CTC be liable for the payment of any amounts exceeding \$25,000.00 with the exception of the employers' share of payroll taxes due and payable as a result of the Settlement, which shall be paid separately from the Gross Settlement Amount.
- b. The Gross Settlement Amount shall be disbursed within 30 calendar days after the Effective Date. Once CTC has made such payments, CTC will be deemed to have satisfied all terms and conditions under this Agreement, shall be entitled to all protections afforded to CTC under this Agreement, and shall have no further obligations under the terms of the Agreement regardless of what occurs with respect to those sums. Additionally, no Released Party shall have any further obligation or liability to Lumia or PAGA Members under this Agreement.

3. Attorneys' Fees and Expenses

PAGA Counsel may petition the Court for attorneys' fees not to exceed Five Thousand Dollars and No Cents (\$5,000.00) – and reasonable costs, subject to approval by the Court. Attorneys' fees paid pursuant to this Settlement Agreement shall be inclusive of all fees in this matter as to all non-exempt, hourly-paid employees at CTC. CTC agrees not to object to PAGA Counsels' fees up to Five Thousand Dollars and No Cents (\$5,000.00) of the Gross Settlement Amount. If the Court should not approve this Agreement due to an insufficient amount, PAGA Counsel agrees to reduce his fee request, up to \$5,000.00, to obtain Court approval of this Agreement. Also, Lumia agrees to not petition the Court for an enhancement award.

4. PAGA Allocation from Gross Settlement Amount

The PAGA allocation from the Gross Settlement Amount will be Twenty Thousand Dollars and No Cents (\$20,000.00) (i.e., the Gross Settlement Amount less contemplated PAGA Counsel fees and costs request of \$5,000.00), 75% of which ((\$15,000.00) (Fifteen Thousand

Dollars and No Cents)) will be distributed to the LWDA as a PAGA payment, with the remaining 25% of which ((\$5,000.00) (Five Thousand Dollars and No Cents)) shall be distributed to the PAGA Members. The PAGA allocation to the PAGA Members shall be allocated pro-rata on a pay period basis to all PAGA Members who worked at CTC from July 14, 2020 to the date of approval of this Agreement by the Court. Upon the Effective Date, all PAGA Members shall be deemed to have released their Released Claims in their entirety. All PAGA payment distributions to PAGA Members shall be treated as non-wages for tax purposes.

5. Settlement Administrator

The Parties hereby agree that CTC shall self-administer the payments to the PAGA Members as the “Settlement Administrator”. The Settlement Administrator expenses shall be borne by CTC to maximize the amount of the settlement going to the aggrieved employees.

6. Settlement Approval

Upon execution of this Settlement Agreement, Lumia shall:

- A. File an amended PAGA letter that he shall send to the LWDA adding penalties under Labor Code section 2802, and all other provisions contemplated by this Settlement Agreement not already covered by his July 14, 2021 letter;
- B. File a complaint in Los Angeles County Superior Court asserting only a PAGA cause of action based on his amended PAGA letter;
- C. Apply to the Court for the entry of an Order and Judgment:
 - (1) Approving self-administration of this settlement;
 - (2) Approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
 - (3) Requiring the Parties to carry out the provisions of this Agreement;
 - (4) Fully and finally releasing and discharging the Released Parties as to all PAGA Members, forever barring and enjoining the assertion of the released claims as to all such PAGA Members;
 - (5) Permanently enjoining Lumia and all PAGA Members from pursuing or seeking to reopen Released Claims against the Released Parties; and
 - (6) Entering judgment in accordance with the release in Paragraph 1, this Agreement, and pursuant to California Rule of Court 3.769. Pursuant to Rule 3.769(h), the Final Approval Order and Judgment shall also provide for the retention of the Court’s jurisdiction over the parties to interpret and enforce the terms of the Judgment.

7. Court Approval, Dismissal, and Judgment

As detailed in the prior section, PAGA Counsel shall file a motion with the Court to enter the Order Approving Settlement and entering Judgment thereon. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents reasonably necessary to be prepared or filed in order to obtain approval of this Agreement. The Court's approval of this Agreement shall be embodied in a written Order. The Parties shall also jointly request and reserve the Court's continuing jurisdiction over the construction, interpretation, implementation, and enforcement of this Settlement in accordance with its terms, and over the administration and distribution of the settlement proceeds pursuant to California Code of Civil Procedure section 664.6.

If the Court should for any reason fail to approve this Agreement, then this Agreement shall be considered voidable by CTC, and Lumia agrees to dismiss his complaint without prejudice.

8. Confidentiality

Lumia and PAGA Counsel will not make any public disclosure of the Settlement until the filing of the motion for preliminary approval of the Settlement and motion for approval of the PAGA settlement, except that Lumia and PAGA Counsel may disclose the Settlement to the LWDA prior to the filing of the motion for approval of the PAGA settlement. Lumia and PAGA Counsel represent that they have not made any such disclosure. Further, Lumia and PAGA Counsel agree not to publicize the terms of this Settlement with the media, including but not limited to, any newspaper, journal, magazine, website and/or online reporter of settlements or on any website.

9. Non-Admission of Liability

Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability. In entering into this Agreement, CTC does not admit, and specifically denies, that it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract, violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to the Lumia or any PAGA Member. CTC does not concede manageability of any PAGA claim; and the Court has not evaluated manageability of any PAGA claim. CTC denies all liability for the claims alleged by Lumia and that any PAGA Member is owed any damages or penalties or is entitled to any relief arising from the alleged claims. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code section 1152. The Parties consent to the continuing jurisdiction of the Court for the purposes of enforcement of the Settlement, pursuant to California Code of Civil Procedure section 664.6.

10. Warranties and Representations

Each of the Parties to this Agreement and or their agent covenants and warrants that (a) they have full power and authority to enter into and consummate all transactions contemplated by this Agreement and have duly authorized the execution, delivery and performance of this

Agreement; (b) the person executing this Agreement has the full right, power and authority to enter into this Agreement on behalf of the party for whom he/she has executed this Agreement, and the full right, power and authority to execute any and all necessary instruments in connection herewith, and to fully bind such party to the terms and obligations of this Agreement; and (c) they 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. Further, Lumia and PAGA Counsel warrant and represent that there are no liens on the Agreement, and that CTC may distribute funds to the PAGA Members, PAGA Counsel, and Lumia as provided by this Agreement.

11. Waiver and Amendment

The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all counsel, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

12. Enforcement Action

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

13. Notices to Counsel

All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

If to California Traffic Control Services, Inc.	Christopher Dengler cdengler@littler.com Littler Mendelson P.C. 633 West Fifth Street, 63rd Floor Los Angeles, CA 90071
If to Anthony Lumia	Brent Buchsbaum brent@buchsbaumhaag.com Law Offices of Buchsbaum & Haag, LLP 100 Oceangate Suite 1200 Long Beach, CA 90802

14. Binding Agreement

This Agreement shall be binding and shall inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and legal representatives.

15. Ongoing Cooperation

The Parties shall support the Settlement, execute all documents and take such steps as are reasonably necessary to effectuate the Settlement and the terms of this Agreement. The execution of documents must take place prior to the Preliminary Approval Hearing. Further, PAGA

Counsel agree to provide preliminary and final approval papers to Defense Counsel for review at least three (3) business days before they are due to be filed.

16. Governing Law

This Agreement shall be interpreted, construed, enforced, and administered in accordance with the laws of the State of California.

17. Severability.

Should any provision in this Agreement be declared or determined to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby, and the illegal or invalid part, term, or provision shall be deemed not to be part of this Agreement, and all remaining provisions shall remain valid and enforceable.

18. Entire Agreement

This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

19. Counterparts

This Settlement Agreement may be executed by one or more Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

20. Mutual Preparation of Agreement

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

Dated: April 29, 2022

CALIFORNIA TRAFFIC CONTROL
SERVICES, INC.

By: _____

Name: Christopher Hill

Title: Owner

[signatures continue on following page]

Dated: April 29, 2022

ANTHONY LUMIA

DocuSigned by:

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APPROVED AS TO FORM:

Dated: April 29, 2022

DocuSigned by:

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BRENT BUCHSBAUM
Law Offices of Buchsbaum & Haag, LLP

Counsel for Anthony Lumia and PAGA
Members

4874-2864-1053.2 / 078479-1005