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Attorneys for Defendant
AI INDUSTRIES, INC.

*ADDITIONAL COUNSEL LISTED
ON THE FOLLOWING PAGE*

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN MATEO / NORTHERN BRANCH

BRYAN ALEXIS RIVAS
CARRANZA, on behalf of himself and
all other aggrieved employees,

Plaintiff,

v.

AI INDUSTRIES, INC., a California
corporation; TRENDTEC, INC., a
California corporation; and DOES 1
through 100, inclusive,

Defendants.

Case No. 21-CIV-05016

Assigned To: Danny Y. Chou
Dept.: 22

Complaint Filed: September 16, 2021
Trial Date: Not Set

SETTLEMENT AGREEMENT

1 Susan Bishop, Esq., Cal. Bar No. 187252
Iris Chiu, Esq., Cal. Bar No. 327467
2 BERLINER COHEN LLP
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3 San Jose, California 95113
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6 Attorneys for Defendant
TRENDTEC, INC.
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Settlement Agreement

Subject to Court approval by the Superior Court of the State of California for the County of San Mateo (the "Court"), Plaintiff Bryan Alexis Rivas Carranza ("Plaintiff") and Defendants AI Industries, Inc. ("AI") and Trendtec, Inc. ("Trendtec") (collectively "Defendants") (Plaintiff and Defendants are collectively referred to as "Parties") hereby agree to the following binding settlement ("Settlement" or "Settlement Agreement") of the claims in the lawsuit entitled Bryan Alexis Rivas Carranza v. AI Industries, Inc., et al., Case No. 21-CIV-05016 (the "Action").

Persons Covered By The Settlement

1. Aggrieved Employees: This Settlement covers all individuals who are or were employed as non-exempt hourly employees by Trendtec and assigned to work at AI within the State of California at any time from July 12, 2020 through the date the Court approves this Settlement Agreement (the "Aggrieved Employees").

2. PAGA Period: The Settlement covers the period from July 12, 2020 to the date the Court approves this Settlement Agreement (the "PAGA Period").

3. Effective Date: The "Effective Date" will be the date that the Superior Court or any party hereto serves notice of the Superior Court's order approving the PAGA Settlement and no timely appeal thereto has been filed within 60 days ("Court Approval Order"). In the event that a timely appeal is filed within 60 days of the Court Approval Order, the Effective Date shall occur when the appeal is adjudicated and no longer subject to further judicial review. At no time will Defendants have any obligation to fund the settlement, in whole or in part, prior to this Effective Date.

Settlement Consideration

4. Gross Settlement Amount: The Parties have settled the PAGA claims in the Action for Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) ("Gross Settlement Amount"). The following payments will be made to fund the Gross Settlement Amount: (a) Trendtec will pay One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00), and (b) AI shall pay One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00). For clarity, under no circumstances will AI owe any more than \$150,000.00 in full satisfaction of this Settlement Agreement, even in the event of a default by Trendtec. Similarly, under no circumstances will Trendtec owe any more than \$150,000.00 in full

1 satisfaction of this Settlement Agreement, even in the event of a default by AI. In no event shall
2 Defendants be liable for more than the Gross Settlement Amount as a result of this Settlement. The Gross
3 Settlement Amount will be allocated as follows:

- 4 a. Third-Party Settlement Administration Fees of up to Ten Thousand Dollars
5 (\$10,000.00);
- 6 b. Plaintiff's counsel's, Proxy Law Firm LLP ("PAGA Counsel"), attorneys' fee
7 request of one-third (33-1/3%) of the Gross Settlement Amount (\$100,000.00)
8 ("PAGA Counsel's Fees");
- 9 c. PAGA Counsel's request for costs not to exceed Fifteen Thousand Dollars
10 (\$15,000.00) ("PAGA Counsel's Costs");
- 11 d. A Service Award and General Release Payment to Plaintiff in the amount of Ten
12 Thousand Dollars (\$10,000.00) ("Service Award"), in addition to Plaintiff's
13 individual settlement payment that is to be paid pursuant to the Settlement
14 Agreement; and
- 15 e. The remaining funds (the Gross Settlement Amount less the Third-Party
16 Settlement Administration Fees, PAGA Counsel's Fees, PAGA Counsel's Costs,
17 and Service Award) shall be referred to as the "Net Settlement Amount." If less
18 than the maximum amounts set forth above are awarded for Third-Party
19 Settlement Administration Fees, PAGA Counsel's Fees, PAGA Counsel's Costs,
20 or Service Award, any unused funds will become part of the Net Settlement
21 Amount.

22 5. Distribution of the Net Settlement Amount. The Net Settlement Amount shall be
23 designated as PAGA penalties in full satisfaction of all claims for PAGA civil penalties under the
24 California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been
25 violated in, that could have been alleged, or that are reasonably related to the operative Complaint in the
26 Action with respect to Aggrieved Employees, allocated between the Labor & Workforce Development
27 Agency ("LWDA") and the Aggrieved Employees pursuant to Labor Code Section 2699(i) with 75% paid
28 to the LWDA and 25% paid to the Aggrieved Employees on a pro-rata basis ("PAGA Penalties Fund").

The 25% of the Net Settlement Amount will be paid to all Aggrieved Employees according to the following formula: Settlement Payment to each Aggrieved Employee = $[\$[25\% \text{ of Net Settlement Amount}] \times [\text{Pay Periods Worked by Individual Aggrieved Employee During PAGA Period} \div \text{Total Pay Periods Worked by All Aggrieved Employees during PAGA Period}]]$.

6. Settlement Administration. Settlement Administrator ILYM Group, Inc. will administer this Settlement and will be responsible for issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and PAGA Counsel. The estimate of costs of administration for the disbursement of the PAGA Penalties Fund is no more than Ten Thousand Dollars (\$ 10,000.00). If less than \$ 10,000.00 is spent on administration of the Settlement, any unused funds will become part of the Net Settlement Amount.

7. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties will present this Settlement Agreement to the Court and will request that the Court issue a Court Approval Order approving and incorporating by reference the terms and conditions of the Settlement Agreement, and dismissing the Action with prejudice, as detailed below. The Parties shall submit this Settlement Agreement for the Court's approval by either a joint or unopposed motion.

8. Dismissal of Action: Subject to Court approval, Plaintiff will dismiss the Action with prejudice within five (5) days of the final accounting hearing set by the Court to ensure that the Settlement funds have been distributed in accordance with the Settlement, assuming full compliance with the Court Approval Order by that date, or as otherwise ordered by the Court.

9. Notice to LWDA. Pursuant to California Labor Code § 2699(l)(1), Plaintiff shall submit to the LWDA a copy of this Settlement Agreement and all supporting approval documents at the same time that Plaintiff submits them to the Court for approval.

10. Funding of the Settlement. Within fifteen (15) calendar days after the Effective Date, Defendants shall deposit their respective portions of the Gross Settlement Amount with the Settlement Administrator. Within fifteen (15) calendar days after the Effective Date, Trendtec shall provide the Settlement Administrator with a list of all Aggrieved Employees, with each listed employee's full name, dates worked for Defendants during the PAGA Period, last known mailing address, and social security number. Within fifteen (15) days of receipt of the list of all Aggrieved Employees, the Settlement

1 Administrator shall run all the addresses of Aggrieved Employees through the United States Postal Service
2 NCOA database to obtain current address information, and issue payments to (i) Aggrieved Employees; (ii)
3 the LWDA; (iii) PAGA Counsel; (iv) Plaintiff; and (v) itself. The Settlement Administrator will skip-trace
4 return mail and re-mail within five (5) calendar days. The Settlement Administrator will issue the
5 appropriate tax forms for all payments issued under this Settlement.

6 11. Settlement Payments to Aggrieved Employees: The Settlement Administrator will issue
7 each Aggrieved Employee a check for his or her share of the Net Settlement Amount along with an
8 explanatory letter in the form attached hereto as Exhibit A. Checks will remain negotiable for one hundred
9 eighty (180) days. Any checks returned as non-deliverable on or before the check cashing deadline will be
10 sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. Funds
11 represented by settlement checks returned as undeliverable and those settlement checks remaining un-
12 cashed for more than 180 days after issuance will be tendered to the Unclaimed Property Fund of the
13 California State Controller's Office, to be held in the name of the Aggrieved Employees. The Parties do
14 not bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of
15 checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement
16 Administrator. All settlement payments to Aggrieved Employees will be treated as miscellaneous income
17 for which a 1099 will be issued by the Settlement Administrator if required by law.

18 12. Release of Plaintiff's Individual Claims: As of and subject to the occurrence of the
19 Effective Date, and in consideration for the Service Award, Plaintiff fully and finally releases AI and
20 Trendtec, and each of them, and each of their past, present and future agents, employees, servants, officers,
21 directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries,
22 equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors,
23 successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, and affiliated
24 organizations, and all of their respective past, present and future employees, directors, officers, agents,
25 attorneys, stockholders, fiduciaries, parents, subsidiaries, affiliates, and assigns, and each of them,
26 (collectively, the "Released Parties"), from any and all claims, known and unknown, under federal, state
27 and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not
28 limited to claims arising from or related to his employment with Trendtec and AI and compensation while

an employee of Trendtec and AI through the date of signing this Settlement Agreement (“Plaintiff’s Released Claims”). Plaintiff’s Released Claims include, but are not limited to, all claims arising from or reasonably related to the Action, whether pleaded or not pleaded. Plaintiff’s Released Claims also include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; payment for all hours worked; off-the-clock work; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; failure to pay overtime compensation at the proper rate of pay; failure to include additional remuneration, including shift differentials, in the regular rate of pay for purposes of paying overtime; late, short and/or missed meal periods and/or rest periods; failure to provide meal and/or rest periods; failure to pay proper meal or rest period premiums; reimbursement for all necessary business expenses; failure to provide and maintain accurate itemized wage statements; improper or unauthorized deductions; failure to keep accurate records; failure to timely pay wages during employment; failure to timely pay wages at separation of employment; unfair business practices; penalties, including, but not limited to, civil penalties, recordkeeping penalties, wage statement penalties, meal/rest period penalties, minimum-wage penalties, and waiting-time penalties; and attorneys’ fees and costs. Plaintiff’s Released Claims include all claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3, 226.7, 226.8, 227.3, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 2802, 2698 *et seq.*, and 2699 *et seq.*); all claims arising under: the Wage Orders of the California Industrial Welfare Commission (“IWC”); the California Private Attorneys General Act of 2004 (“PAGA”); California Business and Professions Code section 17200, *et seq.*; the California Civil Code, to include but not limited to, sections 3287, 3336 and 3294; 8 CCR § 11010; 8 CCR § 11040; California Code of Civil Procedure § 1021.5; the California common law of contract; the FLSA, 29 U.S.C. § 201, *et seq.*; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, *et seq.* (“ERISA”). Plaintiff’s Released Claims also include all claims for lost wages and benefits, emotional distress, retaliation, discrimination, harassment, punitive damages, and attorneys’ fees and costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. section 1981, Title VII of the Civil

1 Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, and
2 the California Fair Employment and Housing Act; and the law of contract and tort. This release excludes
3 the release of claims not permitted by law. Plaintiff's Released Claims include all claims, whether known
4 or unknown. Even if Plaintiff discovers facts in addition to or different from those that he now knows or
5 believes to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will
6 remain released and forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions, rights
7 and benefits of Section 1542 of the California Civil Code, which reads: "**A general release does not**
8 **extend to claims that the creditor or releasing party does not know or suspect to exist in his or her**
9 **favor at the time of executing the release and that, if known by him or her, would have materially**
10 **affected his or her settlement with the debtor or released party.**"

11 13. Settled PAGA Claims. As of and subject to the occurrence of the Effective Date, and in
12 consideration for the Gross Settlement Amount, the claims settled, fully released, and forever discharged by
13 the LWDA and the Aggrieved Employees, including Plaintiff, constitute any and all claims, debts,
14 liabilities, demands, actions, or causes of action for civil penalties that were alleged or which could have
15 been alleged based on the factual allegations in the operative complaint in the Action, including all claims
16 for civil penalties based upon or arising out of AI and Trendtec's alleged failure to pay all wages due,
17 including overtime wages and regular wages; failure to pay overtime compensation at the proper rate of
18 pay; failure to include additional remuneration, including shift differentials, in the regular rate of pay for
19 purposes of paying overtime; late, short and/or missed meal periods and/or rest periods; failure to provide
20 meal and/or rest periods; failure to pay proper meal or rest period penalties; failure to maintain accurate
21 time records; failure to provide and maintain accurate itemized wage statements; failure to maintain
22 accurate payroll records; failure to timely pay wages due during or at separation of employment; waiting-
23 time penalties; and claims arising under or based upon the alleged violations of California Labor Code
24 Sections 201-204, 210, 218.6, 226, 226.3, 226.7, 246, 510, 512, 516, 558, 1174, 1174.5, 1182.12, 1194,
25 1194.2, 1197, 1197.1, 1198 and 2698 *et seq.* and applicable IWC Wage Orders, including but not limited to
26 IWC Wage Order No. 1 (Cal. Code Regs., tit. 8, § 11010) and IWC Wage Order No. 4 (Cal. Code Regs.,
27 tit. 8, § 11040) during the PAGA Period (the "PAGA Released Claims"), against the Released Parties.
28 Upon approval of the settlement, Plaintiff and the Aggrieved Employees, including the LWDA, will be

1 forever barred from pursuing against the Released Parties any and all PAGA Released Claims.

2 14. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced herein
3 will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved
4 Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans,
5 stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is
6 the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to
7 which any Aggrieved Employee may be entitled under any benefit plans.

8 15. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that
9 they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
10 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right
11 herein released and discharged.

12 16. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve
13 the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then
14 this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and
15 the Parties will be returned to their original respective positions.

16 17. Continued Jurisdiction. After entry of the Court Approval Order, the Court will have
17 continuing jurisdiction under California Code of Civil Procedure § 664.6 solely for purposes of addressing:
18 (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters,
19 including but not limited to effectuating dismissal of the Action with prejudice following the final
20 accounting hearing and full compliance with the Court Approval Order; and (iii) such post-Court Approval
21 Order matters as may be appropriate under court rules or as set forth in this Settlement.

22 18. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
23 settlement terms regarding the Action. No other prior or contemporaneous written or oral agreements may
24 be deemed binding on the Parties.

25 19. Amendment or Modification. This Settlement Agreement may be amended or modified
26 only by a written instrument, signed by either all the Parties or their successors-in-interest or counsel for all
27 Parties.

20. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

21. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

22. California Law Governs. All terms of this Settlement Agreement and Exhibit(s) hereto will be governed by and interpreted according to the laws of the State of California.

23. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument.

24. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations by experienced counsel before Hon. Ronald S. Prager, Ret., an experienced judge and mediator. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

25. Denial of Liability. The Parties expressly recognize that the making of this Settlement Agreement does not in any way constitute an admission or concession of wrongdoing on the part of either Defendant. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or

1 be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or
2 proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation,
3 rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this
4 Settlement Agreement may be used in any proceeding in the Court that has as its purpose the interpretation,
5 implementation, or enforcement of the Settlement or any orders of the Court entered into in connection
6 therewith.

7 26. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement
8 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent
9 with applicable precedents so as to define all provisions of this Settlement Agreement valid and
10 enforceable. If any provision of this Settlement Agreement or the application thereof is held invalid, the
11 invalidity shall not affect other provisions or applications of this Settlement Agreement which can be given
12 effect without the invalid provisions or application and, to this end, the provisions of this Settlement
13 Agreement are declared to be severable. Notwithstanding the foregoing, no portion of any release
14 contained herein may be deemed severed or deleted from this Agreement, except upon waiver in writing by
15 the applicable party.

16 27. Captions. The captions and section numbers in this Settlement Agreement are inserted for
17 the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
18 provisions of this Settlement Agreement.

19 28. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
20 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute
21 a further waiver by such Party of the same or any other condition, covenant, right or remedy.

22 29. Enforcement Action. In the event that one or more of the Parties institutes any legal action
23 or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to
24 declare rights and/or obligations under this Settlement, the prevailing Party or Parties will be entitled to
25 recover from the non-prevailing Party or Parties reasonable attorneys' fees and costs, including expert
26 witness fees incurred in connection with any enforcement actions.

27 30. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
28 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed

1 more strictly against one Party than another merely by virtue of the fact that it may have been prepared by
2 counsel for one of the Parties, it being recognized that, because of the arms'-length negotiations between
3 the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

4 31. Representation By Counsel. The Parties acknowledge that they have been represented by
5 counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this
6 Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

7 32. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
8 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement
9 Agreement.

10 33. Binding Agreement. The Parties warrant that they understand and have full authority to
11 enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and
12 binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to
13 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
14 under federal or state law.

15 34. Confidentiality. The Parties and their counsel agree that they will not issue any press
16 releases, initiate any contact with the press, respond to any press inquiry or have any communication with
17 the press about the fact, amount or terms of the Settlement. PAGA Counsel may respond to press inquiries
18 by stating the matter has been resolved and refer the press to court filings. In addition, PAGA Counsel
19 agree that they will not engage in any advertising or distribute any marketing materials specifying any
20 terms specifically relating to the Settlement of this case, including but not limited to any postings on any
21 websites maintained by PAGA Counsel. Any communication about the Settlement to Aggrieved
22 Employees prior to the check mailing will be limited to a statement that a settlement has been reached and
23 the details will be communicated in a forthcoming notice letter in the form attached hereto as Exhibit A.
24 Plaintiff is prohibited from discussing the terms or the fact of this PAGA Settlement with third parties other
25 than (1) to immediate family members, and (2) to accountants or lawyers as necessary for tax purposes.
26 Nothing herein shall restrict PAGA Counsel from complying with filing and notice requirements to the
27 LWDA relating to PAGA settlements or otherwise including publicly available information regarding this
28 Settlement in future judicial submissions regarding PAGA Counsel's qualifications and experience.

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6/2/2022
Dated: June ___, 2022

Plaintiff BRYAN ALEXIS RIVAS CARRANZA

By 
BRYAN ALEXIS RIVAS CARRANZA

Dated: June 8, 2022

Defendant AI INDUSTRIES, INC.



Dated: June ___, 2022

Defendant TRENDTEC, INC.

APPROVED AS TO FORM

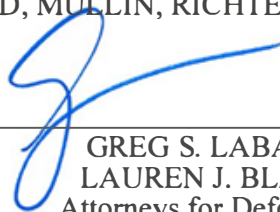
Dated: June 2, 2022

PROXY LAW FIRM LLP

By 
RANA NADER
SAFAEI HENGAMEH
Attorneys for Plaintiff
BRYAN ALEXIS RIVAS CARRANZA

Dated: June 8, 2022

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By 
GREG S. LABATE
LAUREN J. BLAES
Attorneys for Defendant
AI INDUSTRIES, INC.

1
2 Dated: June ____, 2022

Plaintiff BRYAN ALEXIS RIVAS CARRANZA

3
4 By

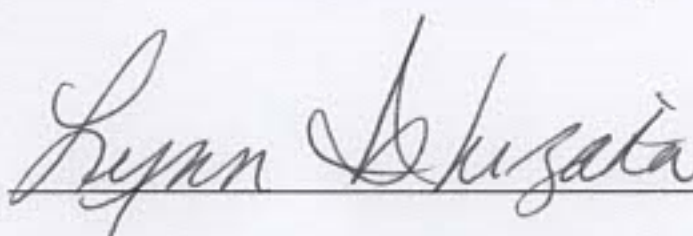
5 BRYAN ALEXIS RIVAS CARRANZA

6 Dated: June ____, 2022

Defendant AI INDUSTRIES, INC.

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10 Dated: June 02, 2022

Defendant TRENDTEC, INC.

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15 APPROVED AS TO FORM

16 Dated: June ____, 2022

PROXY LAW FIRM LLP

17
18 By

19 RANA NADER
SAFAEI HENGAMEH
Attorneys for Plaintiff
20 BRYAN ALEXIS RIVAS CARRANZA

21 Dated: June ____, 2022

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

22
23 By

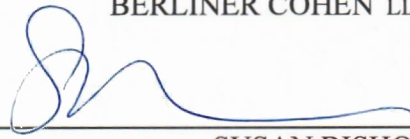
24 GREG S. LABATE
LAUREN J. BLAES
Attorneys for Defendant
25 AI INDUSTRIES, INC.

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Dated: June 21, 2022

BERLINER COHEN LLP

By



SUSAN BISHOP
Attorneys for Defendant
TRENDTEC, INC.

EXHIBIT A

<<DATE>>

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

Re: Payment From *Bryan Alexis Rivas Carranza v. AI Industries, Inc., et al.*

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

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Bryan Alexis Rivas Carranza v. AI Industries, Inc., et al.*, Case No. 21-CIV-05016 (San Mateo County Superior Court) (the "Action").

The Action was filed against AI Industries, Inc. ("AI") and Trendtec, Inc. ("Trendtec") pursuant to the California Private Attorneys General Act of 2004, California Labor Code Section 2698 *et seq.* ("PAGA"). The claim was brought by a former Trendtec employee on behalf of the State of California and all persons who are or were employed as non-exempt hourly employees by Trendtec and assigned to work at AI within the State of California at any time from July 12, 2020 through <<DATE COURT ENTERS ORDER APPROVING SETTLEMENT>>. You have been identified as one of the employees on whose behalf the case was brought.

The plaintiff in the Action claimed that AI and Trendtec owed penalties under PAGA for alleged violations of the California Labor Code related to unpaid wages, including overtime, meal and rest breaks, wage statements, recordkeeping, and timely payment of wages as applied to non-exempt hourly employees employed by Trendtec and assigned to work at AI within the State of California at any time from July 12, 2020 through <<DATE COURT ENTERS ORDER APPROVING SETTLEMENT>>.

AI and Trendtec deny all of the allegations and maintains that their respective policies and practices were, and are, lawful. AI and Trendtec each respectively assert that the individuals on whose behalf the Action was brought were provided all wages and compensation to which they were entitled under the law, and AI and Trendtec each deny that it owes any unpaid wages or penalties.

The Court has not ruled on the merits of the lawsuit, but it has approved the \$300,000.00 settlement amount the parties agreed to ("Gross Settlement Amount"). A complete copy of the Settlement, as well as the Court's order approving the Settlement, can be found at <https://cadir.secure.force.com/PagaSearch/>. You may also review pleadings and other records relevant to the case at the Clerk's Office for the Superior Court of California for San Mateo County, Hall of Justice located at 400 County Center, 1st Floor, Redwood City, CA 94063, or by accessing the "Online Services" tab at the San Mateo County Superior Court's website at https://www.sanmateocourt.org/online_services/case_access_sites.php and searching for case number 21-CIV-05016.

In agreeing to this settlement, AI and Trendtec do not admit that they are liable in any way to the current or former employees for any alleged underpaid wages or for any penalties.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. You are not a party to this lawsuit, but you and the government will be bound by the order in this matter approving the settlement and dismissing the Action as to PAGA civil penalties, including being bound by the following release:

[T]he claims settled, fully released, and forever discharged by the LWDA and the Aggrieved Employees, including Plaintiff, constitute any and all claims, debts, liabilities, demands, actions, or causes of action for civil penalties that were alleged or which could have been alleged based on the factual allegations in the operative complaint in the Action, including all claims for civil penalties based upon or arising out of AI and Trendtec's alleged failure to pay all wages due, including overtime wages and regular wages; failure to pay overtime compensation at the proper rate of pay; failure to include additional remuneration, including shift differentials, in the regular rate of pay for purposes of paying overtime; late, short and/or missed meal periods and/or rest periods; failure to provide meal and/or rest periods; failure to pay proper meal or rest period penalties; failure to maintain accurate time records; failure to provide and maintain accurate itemized wage statements; failure to maintain accurate payroll records; failure to timely pay wages due during or at separation of employment; waiting-time penalties; and claims arising under or based upon the alleged violations of California Labor Code Sections 201-204, 210, 218.6, 226, 226.3, 226.7, 246, 510, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198 and 2698 *et seq.* and applicable IWC Wage Orders, including but not limited to IWC Wage Order No. 1 (Cal. Code Regs., tit. 8, § 11010) and IWC Wage Order No. 4 (Cal. Code Regs., tit. 8, § 11040) during the PAGA Period (the "PAGA Released Claims"), against the Released Parties. Upon approval of the settlement, Plaintiff and the Aggrieved Employees, including the LWDA, will be forever barred from pursuing against the Released Parties any and all PAGA Released Claims.

You may contact the <<SETTLEMENT ADMINISTRATOR>> if you have any questions about this payment.

Very truly yours,

[INSERT NAME],