

PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698 ET SEQ.)
SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Private Attorneys General Act (Labor Code § 2698 *et seq.*) Settlement Agreement and Release of Claims (the "Agreement") is entered into between Compass SF I, Inc. (formerly known as Paragon Real Estate Group), Alain Pinel Realtors, Inc., and Pacific Union International, Inc. dba Compass (together, these three entities are referred to as the Acquired Compass Entities) and Tarik Bob, on behalf of himself, the State of California, and all non-exempt California employees who were employed by the Acquired Compass Entities between August 1, 2020 and August 1, 2021, subject to the occurrence of the Effective Date defined below.

WHEREAS, Tarik Bob filed suit against the Acquired Compass Entities on behalf of himself and all non-exempt employees who were employed by the Acquired Compass Entities within the State of California during the PAGA Period defined below.

WHEREAS, the Acquired Compass Entities dispute the validity of the claims asserted by Tarik Bob but desire to avoid the expense and distraction of litigation;

WHEREAS, Tarik Bob and his counsel acknowledge the uncertainty, expense, and duration of litigation and potential appeals and, after careful consideration of the relevant facts and circumstances, have concluded that it is in the best interest of the Aggrieved Employees defined below to resolve the dispute on the terms set forth in this Settlement Agreement and Release of Claims, believing that the terms represent a fair, reasonable and adequate resolution of the disputed claims;

NOW, THEREFORE, the parties agree as follows:

1. **Definitions.** As used in this Agreement, the following terms shall have the meanings stated:

1.1. "Acquired Compass Entities" shall mean between Compass SF I, Inc. (formerly known as Paragon Real Estate Group), Alain Pinel Realtors, Inc., and Pacific Union International, Inc. dba Compass.

1.2. "Action" shall mean the action to be filed by Tarik Bob against the Acquired Compass Entities in Merced County Superior Court in furtherance of this Agreement.

1.3. "Aggrieved Employees" shall mean Plaintiff Tarik Bob and all non-exempt employees who worked for any of the Acquired Compass Entities within the State of California during the PAGA Period. Defendant represents that there are no more than 178 Aggrieved Employees.

1.4. "Bob Settlement Amount" means the \$1,500.00 of the Settlement Amount payable to Plaintiff Bob in exchange for his release of all of the claims he holds or may hold against the Acquired Compass Entities and/or any of their parents, subsidiaries or affiliated entities.

1.5. "Court" means the Merced County Superior Court.

1.6. "Effective Date" means (a) the date of approval of the Settlement by the Court if there are no objections to or efforts to intervene in the Action or the Settlement, (b) 65 days after service of Notice of Entry of Judgment on the Acquired Compass Entities and Plaintiff Bob if objections to the settlement are filed and overruled, or an effort to intervene in the Action or the Settlement is denied, and no appeal is taken from the order granting approval of the Settlement or denying an effort to intervene, or (c) if an order approving the Settlement or judgment is appealed, then 30 days after an appellate decision affirming an order granting approval of the Settlement or judgment becoming final.

1.7. "Gross Settlement Amount" means forty thousand dollars and no cents (\$40,000.00), the maximum amount to be paid by the Acquired Compass Entities to settle the Action.

1.8. "LWDA" means the State of California Labor and Workforce Development Agency.

1.9. "Net Settlement Amount" means the Gross Settlement Amount less the sum of: (a) reasonable attorneys' fees (in the amount of 10% of the Gross Settlement Amount) to be paid to Plaintiff's Counsel upon approval by the Court; (b) Plaintiffs' counsel's reasonable litigation costs in the amount of \$1,000.00 to be paid to Plaintiff's Counsel upon approval by the Court; (c) the Bob Settlement Amount; and (d) settlement administration expenses not to exceed \$5,000.00.

1.10. "Order" means the Order by the Court granting approval of this Settlement.

1.11. "PAGA" means the Private Attorneys General Act, California Labor Code section 2698, et seq.

1.12. "PAGA Period" means the time period from August 1, 2020 through August 1, 2021;

1.13. "Plaintiff Bob" means Tarik Bob.

1.14. "Plaintiff's Counsel" means Gaines & Gaines, APLC and Stonebrook Law.

1.15. "Released Claims" means all claims, demands, rights, liabilities, and causes of action available for civil penalties under PAGA arising during the PAGA Period from alleged unpaid, underpaid, or untimely paid wages (including overtime) or related penalties, inaccurate wage statements, denial of meal periods and/or rest breaks, and late payment of wages during employment and final wages following conclusion of employment pertaining to the Aggrieved Employees, including, but not limited to, all civil penalties available under PAGA arising out of any violation of Labor Code sections 200, 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1194, 2698 et seq., Industrial Welfare Commission Wage Orders, or any other statute or regulation. With respect to Plaintiff Bob only, "Released Claims" includes all claims Plaintiff Bob may hold individually against the Acquired Compass Entities and/or the Released Parties, including, but not limited to, those not pled in the Action.

1.16. "Released Parties" means (a) Compass SF I, Inc. (formerly known as Paragon Real Estate Group), (b) Alain Pinel Realtors, Inc., (c) Pacific Union International, Inc. dba Compass, and (d) the past and present shareholders, directors, officers, members and employees of Compass SF I, Inc., Alain Pinel Realtors, Inc. and Pacific Union International, Inc.

1.17. "Settlement" means the terms and conditions set forth in this Agreement to resolve the Action.

1.18. "Settlement Administrator" shall mean Simpluris, Inc. or such other settlement administrator as counsel of record in the Action may agree upon.

2. Court Approval of Settlement and Dismissal of the Action with Prejudice. Promptly following the execution of this Agreement by the Parties, Plaintiff shall submit to the Court a stipulation (or a motion, if required by the Court) approving the Settlement and dismissing the Action with prejudice. Concurrently with its submission to the Court, Plaintiff shall submit a copy of this Agreement and the stipulation or motion to the Labor and Workforce Development Agency, as required by PAGA.

3. Settlement Payments.

3.1. Composition and Distribution of Gross Settlement Amount. Subject to the occurrence of the Effective Date, the Gross Settlement Amount shall be distributed as described herein to resolve the Action in full. The Gross Settlement Amount includes (a) all payments to Plaintiff Bob, the Aggrieved Employees, and the LWDA, (b) all amounts to be paid to Plaintiff's Counsel's for attorney fees and costs, and (c) any costs of administration of the Settlement. Compass has paid the Gross Settlement Amount to the Settlement Administrator, and the Settlement Administrator shall provide Compass with a completed Form W-9 and distribute the Gross Settlement as follows:

3.1.1. Payment to Plaintiff's Counsel. Plaintiff's Counsel will file a stipulation or motion seeking approval from the Court for payment of attorney fees in the amount of 10% of the Gross Settlement Amount, plus costs in the amount of \$1,000. The Settlement Administrator shall pay such amount to Plaintiff's Counsel as the Court approves. The Settlement is not contingent upon the Court approving any specific amount as attorneys' fees for Plaintiff's Counsel.

3.1.2. Payment to LWDA. Plaintiff's Counsel shall file a stipulation or motion seeking approval from the Court for payment of \$21,375.00 as PAGA civil penalties from the Gross Settlement Amount, to be paid to the LWDA pursuant to Labor Code section 2699 in connection with the settlement of the PAGA claim. The Settlement Administrator shall pay such amount to the LWDA as the Court approves.

3.1.3. Payment to Plaintiff Bob. Plaintiff's Counsel shall file a motion or stipulation seeking approval from the Court for payment of \$1,500.00 to Plaintiff Bob in settlement of his individual claims, and the Settlement Administrator shall pay such amount to Plaintiff Bob as the Court approves.

3.1.4. Payment to Settlement Administrator. The Parties shall retain a third party to administer the payments described herein and handle all aspects of settlement administration. Plaintiff's Counsel shall file a motion or stipulation seeking approval from the Court for payment of up to \$5,000 to the Settlement Administrator for its services, and the Settlement Administrator shall pay itself from the Gross Settlement Amount such amount as the Court approves.

3.1.5. Net Settlement Amount. Following payment of the amounts described in sections 3.1.1, 3.1.2, 3.1.3, 3.1.4 and 3.1.5, the remainder of the Gross Settlement Amount, approximately \$7,125.00, shall constitute the Net Settlement Amount to be paid as provided in section 3.2.

3.2. Distribution of Net Settlement Amount. Plaintiff's Counsel shall file a stipulation or motion seeking approval from the Court for payment of the Net Settlement Amount to the Aggrieved Employees collectively. The sum payable to the Aggrieved Employees shall be allocated among them pro rata based on the number of pay periods worked during the PAGA Period. The amount payable to each individual Aggrieved Employee shall be equivalent to (a) the number of pay periods worked by the Aggrieved Employee during the PAGA Period divided by (b) the total number of pay periods worked collectively by all Aggrieved Employees during the PAGA Period multiplied by the Net Settlement Amount, and the Settlement Administrator shall pay the Net Settlement Amount as ordered by the Court.

3.3. Timing of Payments. The Acquired Compass Entities and the Settlement Administrator shall pay the Gross Settlement Amount as follows:

3.3.1. Within five calendar days of the Effective Date, the Settlement Administrator shall provide the Acquired Compass Entities with a completed Form W-9. No later than five calendar days after receipt of the completed Form W-9, the Acquired Compass Entities shall provide the Settlement Administrator with a list of all Aggrieved Employees, including their names, last known addresses and telephone numbers, and the total pay periods worked by each (or their dates of employment) during the PAGA Period. The parties acknowledge that the Acquired Compass Entities have already paid the Gross Settlement Amount to the Settlement Administrator, who holds the funds pending administration of the settlement.

3.3.2. Within 20 calendar days of the Effective Date, the Settlement Administrator shall issue a check to Plaintiff Bob in the sum of \$1,500.00, or such other amount as is approved by the Court.

3.3.3. Within 20 calendar days of the Effective Date, the Settlement Administrator shall issue a check to each Aggrieved Employee in the amount determined by the formula set forth in section 3.2 above, as agreed upon by the Parties with input from the Settlement Administrator (which shall make such calculations), or such other amount as is approved by the Court, together with the notice attached hereto as Exhibit A, to the last known address of each Aggrieved Employee.

3.3.4. Within 20 calendar days of the Effective Date, the Settlement Administrator shall issue a check to the LWDA in the amount of \$21,375.00, or such other amount as is approved by the Court.

3.3.5. Within 20 calendar days of the Effective Date, the Settlement Administrator shall issue a check to Plaintiff's Counsel, Gaines & Gaines, APLC, in the amount equal to 10% of the Gross Settlement Amount, plus \$1,000 for costs, or such other amount as is approved by the Court for attorneys' fees and costs.

3.3.6. Within 20 calendar days of the Effective Date, the Settlement Administrator shall issue a check to itself, in an amount no greater than \$5,000.00, or such other amount as is approved by the Court.

3.4. Form W-9; Negotiation of checks. The Settlement Administrator shall provide the Acquired Compass Entities with a completed Form W-9 as a condition precedent to receiving payment. Plaintiff Bob and each Aggrieved Employee may negotiate their checks pursuant to this Settlement within 120 calendar days following the issuance of the checks. If Plaintiff Bob or any Aggrieved Employee does not receive his or her check (i.e., the check is returned as undeliverable with no forwarding address) or does not cash his or her settlement payment check(s) within the 120-day period, the amount of the check(s) will be paid to the California State Controller's Office Unclaimed Property Fund, to be held in the name of the Aggrieved Employee.

3.5. Taxes. The Acquired Compass Entities make no representations with respect to the proper tax treatment of the money paid to Plaintiff Bob, the Aggrieved Employees and Plaintiff's Counsel pursuant to the Settlement. Plaintiff Bob and the Aggrieved Employees are solely and exclusively responsible for paying their respective federal or state taxes due as a result of these payments.

4. Release of Claims.

4.1. Release by Plaintiff Bob. Subject to the occurrence of the Effective Date, Plaintiff Bob hereby releases and fully discharges the Released Parties from any and all claims, claims, demands, rights, liabilities, and causes of action he holds or may hold against them as of the Effective Date, including, but not limited to, claims for unpaid, underpaid and/or untimely payment of wages (including overtime), inaccurate wage statements, denial of meal periods and/or rest breaks, late payment of final wages following separation of employment, failure to reimburse business expenses, violations of the California Labor Code (including, but not limited to, sections 200, 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1194, 2698 et seq.), the Fair Labor Standards Act, and/or California Wage Orders, breach of contract, defamation, wrongful termination of employment, constructive termination of employment, misrepresentation, and violation of any statute, law, or regulation. Plaintiff Bob acknowledges that he may hereafter discover facts different from or in addition to those now known or believed to be true regarding the subject matter of the Agreement, but:

- (a) agrees that this Agreement shall remain in full force and effect notwithstanding the existence or discovery of any such new or different facts; and
- (b) hereby waives all rights to which he may be entitled pursuant to California Civil Code section 1542, 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.

This Agreement does not prohibit Plaintiff Bob from reporting alleged violations of applicable law to any government agency or entity, including, but not limited to, the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, the Department of Justice, the Department of Labor, and the Securities and Exchange Commission, or making other disclosures that are protected under applicable law, provided that he may not personally recover any financial compensation in connection with such claims.

Moreover, notwithstanding the foregoing, nothing herein is intended to release claims that cannot be released as a matter of law, including, but not limited to, claims for unemployment and/or workers' compensation benefits. In addition, Plaintiff Bob shall retain his vested benefits earned during his periods of active employment, if any, under all of the Acquired Compass Entities' qualified retirement plans, as determined under the official terms of those plans, including 401(k) and pension plan.

4.2. Release by the Acquired Compass Entities. As of the Effective Date, the Acquired Compass Entities do hereby irrevocably and unconditionally release, acquit, and forever discharge Plaintiff Bob from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, grievances, costs, losses, and expenses (including attorney fees and costs) of any nature whatsoever, known or unknown, suspected or unsuspected, anticipated or unanticipated, fixed or contingent, filed or unfiled, the Acquired Compass Entities have, or may, shall, or can hereafter have or acquire, arising out of or concerning or pertaining to or connected with any contract, tort, statutory violation, representation, non-disclosure, act, omission to act, fact, matter or thing whatsoever, occurring as of or prior to the date of this Agreement.

This release covers both claims that the Acquired Compass Entities know about and claims that the Acquired Compass Entities may not know about. The Acquired Compass Entities expressly waive and relinquish all rights and benefits provided by Section 1542 of the California Civil Code (and any similar laws of other jurisdictions), and do so understanding and acknowledging the significance of this specific waiver of Section 1542, 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.

4.3. Release by Aggrieved Employees. Subject to the occurrence of the Effective Date, the Aggrieved Employees release and fully discharge the Released Parties from any and all claims, demands, rights, liabilities, and causes of action available for civil penalties under PAGA arising during the PAGA Period from alleged unpaid, underpaid, or untimely paid wages (including overtime) or related penalties, inaccurate wage statements, denial of meal periods and/or rest breaks, and late payment of wages during employment and final wages following conclusion of employment pertaining to the Aggrieved Employees, including, but not limited to, all civil penalties available under PAGA arising out of any violation of Labor Code sections 200, 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1194, 2698 et seq., Industrial Welfare Commission Wage Orders, or any other statute or regulation.

5. Confidentiality. Plaintiff Bob agrees that he will not disclose the financial terms of this Settlement or Agreement on social media and will not disclose the financial terms of this Agreement to anyone other than the LWDA, his spouse (if any), his attorneys, his tax preparer and any party to whom disclosure is necessary in order to comply with the law. If asked about the Action, Plaintiff Bob will state only that the Action has concluded. Plaintiff's counsel may disclose their representation in the Action, but shall not disclose the financial terms of this Agreement in any marketing or advertising, or on social media. When seeking approval of the Settlement, the parties shall seek the Court's approval to file documents reflecting the financial terms of the Settlement under seal. The Settlement and this Agreement are not contingent upon the Court allowing the parties to file documents reflecting the financial terms of the settlement under seal, however.

6. Non-disparagement. The Parties agree not to make any disparaging or derogatory comments to any third party concerning each other.

7. Neutral Reference. Upon inquiry, the Acquired Compass Entities shall provide Plaintiff Bob with a neutral employment reference, stating only his dates of employment and position(s) held, but nothing else.

9. Miscellaneous.

9.1. No other claims. With the exception of the Action, Plaintiff Bob represents that he has not filed any complaints, claims, grievances or actions against any of the Released Parties with any state, federal or local court or agency and covenants not to file any complaints, claims, grievances or actions (other than those not subject to waiver by law) against any of the Released Parties at any time hereafter based on events occurring on or before the date on which he signs this Agreement.

9.2. No liens. Plaintiff Bob represents that no persons or entities hold or have asserted any lien rights with respect to claims he has asserted against the Acquired Compass Entities or money to be paid to him pursuant to this Agreement. Plaintiff Bob agrees that he is solely responsible for paying or resolving any such liens and agrees to hold the Released Parties harmless and indemnify them against any cost or expense, including attorney fees and costs, relating to any liens that may exist.

9.3. Attorneys' fees and costs. Except as otherwise provided herein, each party shall bear any attorneys' fees and costs it may incur in connection with this Settlement and this Agreement and neither shall be entitled to recover such costs or fees from the other.

9.4. Successors and assigns. Each party represents that it has not transferred to any person or entity any of the rights released or transferred through this Agreement. The parties agree that this Agreement shall be binding upon the future successors and assignees of the Acquired Compass Entities, if any. Plaintiff Bob may not delegate or assign any of his obligations pursuant to this Agreement.

9.5. Continuing jurisdiction pursuant to Code of Civil Procedure section 664.6. Pursuant to Code of Civil Procedure section 664.6 and as otherwise allowed by law, the Court shall retain continuing jurisdiction over the parties, the LWDA, and the Aggrieved Employees to enforce this Settlement.

9.6. Entire agreement; modification. This Agreement sets forth the entire agreement between the parties and supersedes all prior agreements or understandings, both written and oral, between the parties regarding the subject matter of this Agreement. The parties may modify this Agreement only through a writing signed by each. This Agreement is contingent upon approval by the Court and is of no force or effect if not approved by the Court.

9.7. Governing law. The laws of the State of California shall govern the construction and enforcement of this Agreement, except that the Agreement shall be interpreted as through drafted jointly by Plaintiff Bob and the Acquired Compass Entities.

9.8. Counterparts. The parties may execute this Agreement in counterparts, and/or by facsimile or electronically, and the counterparts together shall be considered part of one and the same instrument.

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9.9. Further assurances and cooperation. The parties agree to perform such actions, and to execute such additional documents, if any, as may be necessary or appropriate to effectuate the intent of this Agreement.

Date: March 4, 2022

DocuSigned by:
Tarik Bob
CAF80A9257644D9...

Tarik Bob

Date: _____

On behalf of Compass SF I, Inc. (formerly known as Paragon Real Estate Group), Alain Pinel Realtors, Inc., and Pacific Union International, Inc. dba Compass (the "Acquired Compass Entities")

By: _____

Date: May 11, 2022

GAINES & GAINES, APLC

By: *Daniel F. Gaines*
Daniel F. Gaines
Attorney for Plaintiff Tarik Bob

Date: _____

HOPKINS & CARLEY

By: _____
Daniel F. Pyne III
Attorney for Defendants Compass SF I, Inc. (formerly known as Paragon Real Estate Group), Alain Pinel Realtors, Inc., and Pacific Union International, Inc. dba Compass

9.9. Further assurances and cooperation. The parties agree to perform such actions, and to execute such additional documents, if any, as may be necessary or appropriate to effectuate the intent of this Agreement.

Date: _____

Tarik Bob

03/26/2022
Date: _____

On behalf of Compass SF I, Inc. (formerly known as Paragon Real Estate Group), Alain Pinel Realtors, Inc., and Pacific Union International, Inc. dba Compass (the "Acquired Compass Entities")

By: DocuSigned by:
Timothée GP Letson
2521595786K048E

Date: _____

GAINES & GAINES, APLC

By: _____
Daniel F. Gaines
Attorney for Plaintiff Tarik Bob

Date: May 26, 2022

HOPKINS & CARLEY

By: Daniel F. Pyne
Daniel F. Pyne III
Attorney for Defendants Compass SF I, Inc. (formerly known as Paragon Real Estate Group), Alain Pinel Realtors, Inc., and Pacific Union International, Inc. dba Compass

EXHIBIT A
NOTICE TO AGGRIEVED EMPLOYEES

Date _____

NOTICE OF SETTLEMENT

Merced County Superior Court Case No. _____

Case Name: *Tarik Bob v. COMPASS SF I, INC., a California corporation, ALAIN PINEL REALTORS, INC., a California corporation, PACIFIC UNION INTERNATIONAL, INC., a California corporation*

«FirstName» «LastName»

«Address1» «Address2»

«City» «State» «Zip»

You are receiving the enclosed check in settlement of a lawsuit entitled *TARIK BOB, on behalf of himself and all "aggrieved employees" pursuant to Labor Code § 2698 et seq., Bob Tarik v. COMPASS SF I, INC., a California corporation formerly known as Paragon Real Estate Group, ALAIN PINEL REALTORS, INC., a California corporation, PACIFIC UNION INTERNATIONAL, INC., a California corporation and DOES 1 through 10, inclusive, ("Defendants")*, Superior Court of the State of California, County of Merced, Case Number _____ (the "Lawsuit").

In the Lawsuit, Plaintiff pursued various claims for penalties against Defendants under the California Private Attorneys General Act of 2004 ("PAGA"). Defendants deny Plaintiff's claims in their entirety, and assert they complied with the applicable law. However, the parties believe that continued litigation would be protracted, expensive, uncertain, and contrary to their best interests and, therefore, agreed to settlement of this lawsuit. The court has not ruled on the merits of this lawsuit, but it has approved the civil penalties settlement amount to be paid by Defendants. The settlement addresses claims for PAGA penalties on behalf of non-exempt employees who worked or are working for Defendants in California at any time from August 1, 2020 through August 1, 2021.

According to Defendants' records, you are an Aggrieved Employee and are therefore entitled to a share of the settlement. Enclosed with this Notice is your settlement check. The settlement check shall remain valid for one hundred twenty (120) calendar days. Checks remaining un-cashed for more than 120 days after issuance will become void and the outstanding balance will be tendered to the State Controller's Office, Unclaimed Property Division, to be held in your name.

If you have additional questions, you may contact the lawyers for Plaintiff Tarik Bob:

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Evan S. Gaines, Esq.
Alex P. Katofsky, Esq.
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