SETTLEMENT AGREEMENT AND RELEASE

Subject to approval by the Superior Court of California, County of Orange ("Court"), this Settlement Agreement and Release ("Agreement") is made and entered by and between Plaintiff Griselda Gonzalez ("Plaintiff"), on behalf of herself and as a representative aggrieved employee pursuant to Labor Code sections 2698 *et seq.* (Private Attorneys General Act of 2004 ("PAGA")), and Defendant Network Capital Funding Corporation ("Defendant") to settle the civil action entitled *Gonzalez v. Network Capital Funding Corporation* (Case No. 30-2021-01226206-CU-OE-CXC) ("Lawsuit"). Plaintiff and Defendant are collectively referred to herein as the "Parties," and each may be individually referred to herein as a "Party".

RECITALS

This Agreement is made in consideration of the following facts:

A. Plaintiff is a former hourly-paid, non-exempt employee of Defendant.

B. Plaintiff contends that Plaintiff suffered one or more violations of the Labor Code during Plaintiff's employment with Defendant and that Plaintiff is an aggrieved employee under PAGA. Pursuant to PAGA, an aggrieved employee may, after exhausting administrative remedies with the California Labor and Workforce Development Agency ("LWDA"), act as an agent of the State of California to bring an action to recover civil penalties from their former employer on behalf of themselves and other current or former employees for violations of the Labor Code.

C. On August 4, 2021, Plaintiff submitted a written notice to the LWDA alleging that Defendant subjected Plaintiff and other current and former hourly-paid, non-exempt employees of Defendant within the State of California to certain violations under the Labor Code, including Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 ("PAGA Notice").

D. On October 14, 2021, Plaintiff commenced the Lawsuit by filing a representative PAGA action in the Superior Court of California, County of Orange ("Operative Complaint"). The Lawsuit is premised on Defendant's alleged: (1) failure to pay minimum and overtime wages; (2) failure to provide paid sick leave; (3) failure to provide meal and rest breaks; (4) failure to timely pay wages during employment; (5) failure to timely pay wages upon termination; (6) failure to provide complete and accurate wage statements; (7) failure to keep complete and accurate payroll records; and (8) failure to reimburse business expenses ("PAGA Claim").

E. After evaluating the strengths and weaknesses of their positions, considering the time, expense, and risk associated with litigating the Lawsuit to judgment, and engaging in arm's-length settlement negotiations at an all-day mediation on July 30, 2025 with the mediator Mike Ludwig, the Parties agreed to fully and finally settle any and all claims in the Lawsuit ("Settlement") up to and through the Settlement Period (as defined herein).

F. The Parties have independently analyzed and investigated the facts and law relevant to the Lawsuit. Defendant has produced, and Plaintiff has reviewed, documents and data, including, but not limited to, information pertaining to the employment policies, practices, and procedures implicated by the PAGA Claims. These documents included meal and rest breaks, overtime, timekeeping, and payroll policies and sampling of time and pay records. The Parties had ample opportunity to evaluate their positions on the merits of the claims asserted.

G. The Parties agree to cooperate and to take all steps necessary and appropriate to effectuate all aspects of this Agreement and to obtain the Court's approval of this Settlement and entry of judgment.

H. The Parties, Plaintiff's Counsel, and Defendant's counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement Agreement.

NOW, THEREFORE, pursuant to Labor Code section 2699(l)(2) and in consideration of the promises and agreements contained herein, the Parties agree to seek approval of the following settlement terms.

SETTLEMENT TERMS

1. **Court Approval of the Agreement.** In accordance with Labor Code section 2699(l)(2), the Parties will present this Agreement to the Court for its review and approval via a noticed motion.

2. **Delivery of Agreement to the LWDA.** As required by Labor Code section 2699(l)(2), Plaintiff will cause this Agreement to be submitted to the LWDA at the same time that this Agreement is submitted to the Court for approval.

3. **Effective Date.** The Effective Date is defined as the later of the following: (a) no later than fourteen (14) calendar days after entry of court approval; (b) if there is an objection, intervention, or other procedure that can give rise to an appeal, no later than fourteen (14) calendar days of the expiration of the time to appeal without a timely appeal filed; or (c) if there is a timely appeal, no later than fourteen (14) calendar days of the disposition of the appeal and any further appeal affirming approval of the Settlement

4. **No Admission of Liability.**

(a) Defendant denies and continues to deny all the allegations in the Lawsuit. Defendant also denies and continues to deny that it is liable or owe any damages, penalties, or other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Lawsuit. Without admitting or conceding any liability or damages and without admitting that a representative PAGA action is appropriate except for settlement purposes, Defendant agreed to settle the Lawsuit on the terms and conditions set forth in this Agreement to avoid the burden, expense, and uncertainty of continued litigation.

(b) The Parties understand and agree that this Agreement and any exhibit thereto are settlement documents and shall be inadmissible for any purpose in any proceeding, except an action or proceeding to approve, interpret, or enforce the terms of this Agreement. The Parties agree that, to the extent permitted by law, this Agreement may be pleaded as a full and complete defense to and may be used as the basis for an injunction against, any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of this Agreement.

5. **Settlement Group and Settlement Period.**

(a) **The Settlement Period.** This Agreement shall cover the period from August 4, 2020, through September 28, 2025 ("Settlement Period").

(b) **The Settlement Group.** This Agreement shall cover all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the Settlement Period ("Settlement Group" and "Settlement Group Members").

(i) The Parties agree that the Settlement Group Members cannot opt out of or object to the Settlement. The Parties agree that there will be no reversion to Defendant and no claims process for the Settlement Group Members to receive payment.

(ii) Defendant estimates that there are 1,505 Settlement Group Members who worked 23,708 pay periods during the Settlement Period.

6. **Settlement Administration.**

(a) The Parties will retain ILYM Group, Inc. to act as the Settlement Administrator with respect to this Agreement.

(b) The Settlement Administrator shall be responsible for establishing a qualified settlement fund pursuant to 26 U.S.C. section 486B, making all payments required by this Agreement, handling all required tax withholding and reporting related thereto to the extent necessary, and issuing all appropriate tax forms to Plaintiff, Plaintiff's Counsel, Settlement Group, and LWDA resulting from the settlement payments under this Agreement.

(c) Any disputes regarding the administration of the Agreement may be submitted to the mediator who facilitated the negotiation. If the Parties cannot resolve their dispute with the mediator's assistance, the dispute may be submitted to and resolved by the Court.

7. **Settlement Payments.**

(a) **Gross Settlement Amount.** In consideration of, and subject to, the promises, terms, and conditions set forth in this Agreement, Defendant shall pay the maximum gross sum of $450,000 ("Gross Settlement Amount") in the manner and method set forth in this Agreement to fully, finally, and completely settle the Lawsuit and PAGA Claims alleged therein, including any and all associated claims for civil penalties, attorneys' fees, interest, and litigation costs and expenses. Aside from the Escalator Clause being triggered, nothing in this Agreement shall require Defendant to pay more than the Gross Settlement Amount to fully, finally, and completely settle the Lawsuit and all claims alleged therein.

(b) **Allocation of Gross Settlement Amount.** The Gross Settlement Amount shall consist of the following categories of payments: (i) award of attorneys' fees to Plaintiff's Counsel ("Attorneys' Fees Award"); (ii) award of litigation costs and expenses to Plaintiff's Counsel ("Litigation Costs Award"); (iii) payment of settlement administration costs to the Settlement Administrator ("Administration Costs"); (iv) enhancement payment to Plaintiff ("Enhancement Payment"); and (v) payments of civil penalties to the LWDA and Settlement Group ("PAGA Penalties Fund").

(i) **Attorneys' Fees Award.**

(A) Plaintiff's Counsel may submit an application to the Court for an award of attorneys' fees in an amount not to exceed the gross sum of $157,500 (35% of the Gross Settlement Amount). Defendant will not oppose or object to this application. Defendant shall have no liability for attorneys' fees except as provided for in this Agreement.

(B) Any Attorneys' Fees Award approved by the Court will be paid out of the Gross Settlement Amount and shall constitute full and complete satisfaction of all claims Plaintiff may have for attorneys' fees arising out of the Lawsuit through the Effective Date of this Agreement, including work not yet performed.

(C) This Agreement is not contingent upon the Court approving an Attorneys' Fees Award in an amount equal to the maximum amount authorized herein. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve an Attorneys' Fees Award that is less than the amount authorized herein or the amount requested by Plaintiff's Counsel. The Court's refusal to approve the Attorneys' Fees Award requested by Plaintiff's Counsel does not give Plaintiff, Settlement Group, or Plaintiff's Counsel any basis to abrogate this Settlement.

(D) If any portion of the Attorneys' Fees Award authorized herein is not approved by the Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with respect to the Attorneys' Fees Award. Any difference between the Attorneys' Fees Award authorized herein and Attorneys' Fees Award approved by the Court will become part of the PAGA Penalties Fund.

(ii) **Litigation Costs Award.**

(A) Plaintiff's Counsel may submit an application to the Court for an award for reimbursement of litigation costs and expenses incurred by Plaintiff's Counsel in connection with the Lawsuit that is currently estimated not to exceed the combined gross sum of $20,000 ("Litigation Costs Award"). Defendant will not oppose or object to this application. Defendant shall have no liability for attorneys' costs except as provided for in this Agreement.

(B) Any Litigation Costs Award approved by the Court will be paid out of the Gross Settlement Amount and shall constitute full and complete satisfaction of all claims Plaintiff may have for litigation costs and expenses arising out of the Lawsuit through the Effective Date of this Agreement, including litigation costs and expenses not yet incurred.

(C) This Agreement is not contingent upon the Court approving a Litigation Costs Award in an amount equal to the maximum amount authorized herein. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve a Litigation Costs Award that is less than the amount authorized herein or the amount requested by Plaintiff's Counsel. The Court's refusal to approve the Litigation Costs Award requested by Plaintiff's Counsel does not give Plaintiff, Settlement Group, or Plaintiff's Counsel any basis to abrogate this Settlement.

(D) If any portion of the Litigation Costs Award authorized herein is not approved by the Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with respect to the Litigation Costs Award. Any difference between the Litigation Costs Award authorized herein and Litigation Costs Award approved by the Court will become part of the PAGA Penalties Fund.

(iii) **Enhancement Payment.**

(A) Plaintiff may submit an application to the Court for an award of an Enhancement Payment in an amount not to exceed $5,000 for the time and effort and for the risk undertaken in bringing and prosecuting the Lawsuit. Defendant shall not oppose any request by Plaintiff for the Enhancement Payment, which will be paid out of the Gross Settlement Amount.

(B) This Agreement is not contingent upon the Court approving the Enhancement Payment in an amount equal to the maximum amount authorized herein. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve the Enhancement Payment in an amount less than that authorized herein. The Court's refusal to approve the Enhancement Payment requested by Plaintiff's Counsel does not give Plaintiff, Settlement Group, or Plaintiff's Counsel any basis to abrogate this Settlement.

(C) If any portion of the Enhancement Payment authorized herein is not approved by the Court, no more than the approved amount shall be paid to Plaintiff from the Gross Settlement Amount. Any difference between the Enhancement Payment authorized herein and Enhancement Payment approved by the Court will become part of the PAGA Penalties Fund.

(iv) **Administration Costs.**

(A) Subject to approval by the Court, an amount currently estimated at $12,000 will be paid to the Settlement Administrator out of the Gross Settlement Amount to cover the costs of the settlement administration process ("Administration Costs"). If the actual costs of the settlement administration process are less than the amount approved by the Court, the balance will become part of the PAGA Penalties Fund.

(B) Any Administration Costs approved by the Court will be paid out of the Gross Settlement Amount and shall constitute full and complete satisfaction of any settlement administration costs.

(C) This Agreement is not contingent upon the Court approving Administration Costs in an amount equal to the maximum amount authorized herein. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve Administration Costs in an amount that is less than the amount authorized herein. The Court's refusal to approve the Administration Costs requested does not give Plaintiff, Settlement Group, or Plaintiff's Counsel any basis to abrogate this Settlement.

(D) If any portion of the Administration Costs authorized herein is not approved by the Court, no more than the approved amount shall be paid to the Settlement Administrator out of the Gross Settlement Amount. The difference between the Administration Costs authorized herein and Administration Costs approved by the Court will become part of the PAGA Penalties Fund.

(v) **PAGA Penalties Fund.** The portion of the Gross Settlement Amount remaining after the Attorneys' Fees Award, Litigation Costs Award, Enhancement Payment, and Administration Costs are paid shall be designated the PAGA Penalties Fund, from which payments deemed to constitute full and complete satisfaction of any and all claims in the Lawsuit for civil penalties under PAGA shall be made. Subject to approval by the Court, the PAGA Penalties Fund shall be allocated and paid as follows:

(A) **The LWDA Payment.** Seventy-five percent (75%) of the PAGA Penalties Fund will be paid to the LWDA for the enforcement of the labor laws, including the administration of PAGA and for the education of employers and employees about their rights and responsibilities under the Labor Code.

(B) **Individual Settlement Awards.** Twenty-five percent (25%) of the PAGA Penalties Fund shall be designated as the Net Settlement Amount and will be paid to the Settlement Group on a pro-rata basis. Each Settlement Group Member will receive a pro-rata share of the Net Settlement Amount based on the total number of pay periods the Settlement Group Member worked for Defendant during the Settlement Period.

(1) The Individual Settlement Award that the Settlement Group Members are entitled to receive will be determined by using the following formula:

(a) Individual Settlement Award = Net Settlement Amount x (total number of pay periods worked by the Settlement Group Member ÷ total number of pay periods worked by all the Settlement Group Members).

(c) **Tax Allocation**.

(i) **Payment to Plaintiff's Counsel.** The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff's Counsel in connection with the Attorneys' Fees Award and Litigation Costs Award.

(ii) **Payment to Plaintiff.** The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff in connection with the Enhancement Payment.

(iii) **Payment to the LWDA.** Seventy-five percent (75%) of the PAGA Penalties Fund payable to the LWDA shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income.

(iv) **Payment to the Settlement Group.** An IRS Form 1099 will be issued to each Settlement Group Member in connection with their Individual Settlement Award if it is $600 or more.

(d) **Tax Indemnification.** Plaintiff, Plaintiff's Counsel, Settlement Group, and applicable governmental authorities (including the LWDA) are solely responsible for all tax obligations, including all reporting and payment obligations, attributable to them that may arise as a consequence of this Agreement and payment of the amounts set forth herein. Neither Defendant nor Defendant's counsel make any express or implied promise, representation, or warranty regarding the tax consequences or tax treatment under federal or state tax laws for any sum paid pursuant to this Agreement.

(e) **No Effect on Employee Benefits.** The payments made to Settlement Group Members herein shall not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Group Members may be eligible, including, but not limited to, any profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, or other benefit plans available to the Settlement Group.

8. **Notice of the Settlement and Distribution of the Settlement Payments.**

(a) **List of Settlement Group Members.** No later than fourteen (14) calendar days of the Effective Date, Defendant shall provide the Settlement Administrator a list of the Settlement Group Members': (i) Social Security Numbers; (ii) last known addresses; (iii) telephone numbers; and (iv) number of pay periods worked for Defendant during the Settlement Period. Defendant agrees to consult with the Settlement Administrator as required to provide the list in a format reasonably acceptable for the performance of the duties of the Settlement Administrator. The Settlement Administrator will keep the list confidential, use it only for the purposes described herein, take adequate safeguards to protect confidential or private information and return or certify the destruction of the information upon completion of the Settlement Administration process.

(b) **<u>Mailing of the Explanatory Notice Letter</u>.** Before mailing the explanatory notice letter in the form attached hereto as **Exhibit A**, the Settlement Administrator shall update the Settlement Group Members' addresses using the National Change of Address Database ("NCOA"). Using best efforts to perform as soon as possible and no later than fourteen (14) calendar days after receiving the list of Settlement Group Members, the Settlement Administrator will send the explanatory notice letter via regular First-Class U.S. Mail to all the Settlement Group Members identified in the list.

(c) **<u>Returned Explanatory Notice Letter</u>.** No later than three (3) business days after the Settlement Administrator's receipt of any explanatory notice letter by the USPS as undelivered, the Settlement Administrator shall remail the explanatory notice letter using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Settlement Administrator shall use the NCOA and skip tracing to find the most current address and remail the explanatory notice letter to the most current address obtained.

(d) **<u>Challenges to the Allocation of the Pay Periods</u>.** Each Settlement Group Member shall have sixty (60) calendar days after the Settlement Administrator mails the explanatory notice letter (plus an additional 14 calendar days for the Settlement Group Members whose explanatory notice letter are remailed) to challenge the number of pay periods allocated to them in their explanatory notice letter ("Response Deadline"). The Settlement Group Members may challenge the allocation of pay periods by communicating with the Settlement Administrator via fax, email, or mail on or before the Response Deadline. The Settlement Administrator must encourage the challenging Settlement Group Member to submit supporting documentation. In the absence of any contrary documentation, the Settlement Administrator is entitled to presume that the pay periods contained in the explanatory notice letter are correct so long as they are consistent with the list provided by Defendant. The Settlement Administrator may make the initial decisions regarding claim disputes, but the Court may review any decision made by the Settlement Administrator regarding a claim dispute.

(e) **<u>Funding of the Gross Settlement Amount</u>.** The Gross Settlement Amount is to be paid in two (2) equal installments. The first half of the Gross Settlement Amount ($225,000) shall be paid on the later of April 15, 2026 or the Effective Date. If the first half is funded on April 15, 2026, the second half of the Gross Settlement Amount ($225,000) shall be paid on June 1, 2026. If the Effective Date is later than June 1, 2026, the full payment of the Gross Settlement Amount shall be due within fourteen (14) calendars days of the Effective Date.

(f) **<u>Timing of the Settlement Payments</u>.** No later than fourteen (14) calendar days of the funding of the Gross Settlement Amount by Defendant, the Settlement Administrator will issue the settlement payments to the appropriate entities or persons. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual Settlement Awards.

(g) **Payment of the Individual Settlement Awards.**

(i) Individual Settlement Awards will be paid in the form of a check delivered to each Settlement Group Member at the last known address on file with Defendant or as updated by the Settlement Administrator.

(ii) The Individual Settlement Award checks will remain negotiable for one hundred twenty (120) calendar days after the date of their issuance ("Check Stale Date"). Any Individual Settlement Award checks that are not cashed, deposited, or negotiated on or before the Check Stale Date will be void, and the amount of those checks will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the name of the employee.

(iii) Any checks to the Settlement Group returned as undeliverable on or before the Check Stale Date will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will attempt to determine the correct address using a skip trace or other reasonable method and will then perform a single remailing.

(iv) Any Settlement Group Member who cannot be located after the above procedures are followed will continue to be bound by this Agreement. The funds associated with such Settlement Group Member's Individual Settlement Award will be directed to the California State Controller for deposit in the Unclaimed Property Fund in their name.

9. **Release.**

(a) **Released Parties**. The Released Parties include Defendant and its parents, subsidiaries, affiliates, predecessors, successors in interest, agents, insurers, employees (current and former), officers, directors, and attorneys ("Released Parties").

(b) **Release of the PAGA Claims.** Effective on the date when Defendant fully funds the Gross Settlement Amount, Plaintiff, all Settlement Group Members, LWDA, and any and all allegedly aggrieved employees will be barred from pursuing civil penalties available under PAGA against the Released Parties based on the facts alleged in the Operative Complaint and PAGA Notice and that arose during the Settlement Period. This release includes, but is not limited to, Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and IWC Wage Orders.

(c) **Plaintiff's General Release and Waiver of Rights Under Civil Code Section 1542**. Effective on the date when Defendant fully funds the Gross Settlement Amount, in consideration of the amount of the Enhancement Payment approved by the Court, Plaintiff agrees for herself and her spouses, heirs, successors, and assigns, to forever generally release the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, from the beginning of time through the Effective Date, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including, but not limited to, all claims arising out of, based upon, or relating to their employment with Defendant or remuneration for, or termination of, such employment, whether known or unknown, arising under any federal, state, or local law, or statute. Plaintiff acknowledges that she may discover facts or law different from, or in addition to, the facts or law Plaintiff now knows or believes to be true. But Plaintiff agrees that this general release shall be and remain effective in all respects, notwithstanding such different or additional facts or his discovery of them.

For purposes of this general release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of Civil Code section 1542, which provides:

> **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.**

10. **Acknowledgement of the Fairness and Reasonableness of the Settlement.** The Parties have arrived at this Agreement after arm's-length negotiations between experienced counsel. The Parties acknowledge, agree, and believe that this Agreement is a fair, adequate, and reasonable settlement of the Lawsuit. The Parties 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 Agreement. The Parties agree and represent that they have investigated the facts relevant to this Agreement, and all matters pertaining thereto, to the full extent that each Party deems necessary. The Parties agree that this Agreement reflects their good faith compromise of the claims raised in the Lawsuit based on their assessment of the mutual risks and costs of further litigation and the assessments of their counsel.

11. **Waiver of Appeal Rights.** By accepting this Settlement and upon the Court granting approval of the settlement, Plaintiff and Plaintiff's Counsel waive any and all rights that they may have to appeal any judgment, ruling, or order made by the Court in the Lawsuit. This includes all rights to any post-judgment proceeding and appellate proceeding, such as, but not limited to, a motion to vacate judgment, motion for new trial, motion for relief, and any extraordinary writ. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings, or post-judgment proceedings. If an appeal is taken from the approval, the time for consummation of the Settlement (including making payments under the Settlement) will be suspended until such time as the appeal is finally resolved.

12. **Confidentiality.** Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, the Parties and their counsel will keep confidential the facts relating to the existence of this Agreement, negotiations leading to the execution of this Agreement, terms of this Agreement, and alleged factual basis for the claims. Neither the Parties nor their counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media, or publicize the settlement or communicate its terms in public or in private unless ordered by the Court. However, Plaintiff's Counsel may reference the Lawsuit only by name and case number in a declaration establishing adequacy as class or representative counsel.

13. **<u>Duty to Cooperate</u>.** The Parties agree that they will abide by this Agreement and that the Parties and their counsel will cooperate with each other to affect the implementation of this Agreement. The Parties pledge their good faith and fair dealing in supporting the approval of this Agreement by the Court, including, but not limited to, fully documenting the settlement, completing or filing any other documents or pleadings, arguing that the terms and conditions agreed upon should be enforced fully, commencing any required action, jointly appealing, and/or exhausting judicial review of any adverse ruling, etc.

14. **<u>Governing Law and Interpretation</u>.** This Agreement shall be governed in accordance with the laws of the State of California. The Agreement shall be interpreted in accordance with the plain meaning of its terms and shall not be strictly interpreted for or against any of the Parties. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, the Parties expressly waive the benefit of any legal principle or rule providing that in cases of uncertainty the language of a contract should be interpreted against the Party who caused the uncertainty to exist.

15. **<u>Defendant's Option to Revoke</u>.** If the settlement, or any terms therein, is modified, vacated, altered, or becomes subject to challenge by law, including, but not limited to, any law that became effective after the execution of this Agreement, so that this Agreement is not approved by the Court in its entirety and the intent of the Parties cannot be accomplished after jointly taken efforts to enforce it have been exhausted, Defendant shall have the option to revoke this Agreement at its sole discretion.

16. **<u>Discovery of Documents and Information</u>.** Plaintiff and Plaintiff's Counsel agree that they will destroy all documents and information provided to them by Defendant during this Lawsuit within sixty (60) calendar days after the completion of the administration of the Settlement. Plaintiff's Counsel agree that none of the documents and information provided to them by Defendant shall be used for any purpose other than the settlement of the Lawsuit.

17. **<u>Authority to Enter the Agreement</u>.** The Parties represent and warrant that they have the right and authority to execute this Agreement. It is agreed that the Settlement Group Members are so numerous that it is impossible or impractical to have each member execute this Agreement. It is agreed that this Agreement may be executed on behalf of the Settlement Group Members by Plaintiff and Plaintiff's Counsel.

18. **<u>Nullification of Agreement</u>.** Defendant's payment of the Gross Settlement Amount shall be subject to the Court granting approval. If the Court fails to grant approval, the Parties shall be returned to their original positions as though this Agreement had never been entered into at all, with the exception that if any settlement administration costs are due and payable, the Parties agree to split those costs.

19. **<u>Authorization of Counsel</u>.** The Parties' counsel warrant and represent that they are authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms and to execute any other documents required to effectuate its terms.

20. **Severability.** If any clause or provision of this Agreement is declared illegal or unenforceable, it shall be modified as minimally as necessary to be enforceable. If the provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

21. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures sent by facsimile transmission or scanned e-mail transmission have the same force, validity, and effect as original signatures.

22. **Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the Parties hereto and their agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

23. **Continuing Jurisdiction of the Court.** Pursuant to Code of Civil Procedure section 664.6, the Court shall retain continuing jurisdiction over the Lawsuit and Parties to the fullest extent necessary to enforce and effectuate the terms and intent of this Agreement.

24. **Ownership of Claims.** The Parties represent that they have not transferred or assigned, or purported to transfer or assign, to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

25. **Amendment and Modification of the Agreement.** This Agreement may not be modified, altered, or changed, except by a written instrument signed by either the Parties or their successors-in-interest or counsel for all Parties.

26. **Admissibility of the Agreement.** The Parties agree that this Agreement is admissible for the purposes of proving up and or enforcing the terms of the Agreement pursuant to Evidence Code section 1123.

27. **No Representations.** The Parties acknowledge, except as expressly set forth herein, no representation of any kind or character has been made to induce the execution of this Agreement.

28. **Attorneys' Fees.** Except as set forth in this Agreement, each side shall bear its own costs and attorneys' fees.

29. **Escalator Clause.** If it is determined that the number of pay periods within the Settlement Period exceeds 23,708 by more than ten percent (10%) (*i.e.*, the number exceeds 26,079 pay periods), then the Gross Settlement Amount shall increase proportionally over the ten percent (10%) increase (*i.e.*, if the number of pay periods exceeds 23,708 by 11%, then the Gross Settlement Amount shall increase by 1%).

* * *

IN WITNESS WHEREOF, the Parties knowingly and voluntarily accept the terms of this Settlement Agreement and Release by affixing their signatures below.

Dated: 09/30/2025

Griselda Gonzalez

By: Griselda Gonzalez

Dated: 10/03/25

Justice Law Corporation [Approving as to Form Only]

By: ______________________________

Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Michael Jones, Esq.
Attorneys for Plaintiff

Dated: ____________________

Network Capital Funding Corporation

By: ______________________________

On behalf of Network Capital Funding Corporation

Dated: ____________________

Fisher & Phillips LLP [Approving as to Form Only]

By: ______________________________

Lonnie D. Giamela, Esq.
Drew M. Tate, Esq.
Attorneys for Defendant

IN WITNESS WHEREOF, the Parties knowingly and voluntarily accept the terms of this Settlement Agreement and Release by affixing their signatures below.

Dated: ____________________

Griselda Gonzalez

By: ____

Dated: ____________________

Justice Law Corporation [Approving as to Form Only]

By: ____
Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Michael Jones, Esq.
Attorneys for Plaintiff

Dated: 10/01/2025

Network Capital Funding Corporation

By: Tri Nguyen
Tri Nguyen (Oct 1, 2025 19:44:59 EDT)
On behalf of Network Capital Funding Corporation

Dated: 10/03/2025

Fisher & Phillips LLP [Approving as to Form Only]

By: ____
Lonnie D. Giamela, Esq.
Drew M. Tate, Esq..
Attorneys for Defendant

EXHIBIT A

NOTICE OF PAGA SETTLEMENT

Gonzalez v. Network Capital Funding Corporation
Superior Court of California, County of Orange
Case No. 30-2021-01226206-CU-OE-CXC

Dear [Settlement Group Member's Name]:

Enclosed in this letter is the information regarding the settlement of the lawsuit filed in the Superior Court of California, County of Orange, entitled *Gonzalez v. Network Capital Funding Corporation*, Case Number 30-2021-01226206-CU-OE-CXC ("Lawsuit"). The purpose of this letter is to provide you with basic information about the Lawsuit, pay periods allocated to you that will impact your settlement check, and effect of the settlement on your legal rights.

I. What is a Representative PAGA Action

A representative Private Attorneys General Act of 2004 ("PAGA") action is a type of representative lawsuit authorized by the Labor Code section 2698 (PAGA), which allows aggrieved employees to file lawsuits to recover civil penalties on behalf of themselves, other employees, and the State of California for violations of the Labor Code. An aggrieved employee is any person who was employed by the subject employer and against whom one or more of the alleged Labor Code violations was committed. An employee who files a representative PAGA action is acting as an agent of State of California's labor law enforcement agencies, who have the power to initiate an enforcement action directly.

A representative PAGA action is different from a class action in that an employee filing a representative PAGA action does not resolve the claims of other similarly situated employees. Instead, the employee is acting as an agent of the State of California to obtain penalties for themself and aggrieved employees for Labor Code violations allegedly committed against those employees pursuant to PAGA. Penalties awarded in a representative PAGA action are measured by the number of Labor Code violations committed by the employer, a portion of which (75%) must be paid to the State of California. Finally, aggrieved employees do not have the right to opt out of (or object to) a representative PAGA action.

II. The Lawsuit

On August 4, 2021, Plaintiff Griselda Gonzalez ("Plaintiff") submitted a written notice to the California Labor and Workforce Development Agency ("LWDA") alleging that Defendant Network Capital Funding Corporation ("Defendant") subjected Plaintiff and other current and former hourly-paid, non-exempt employees of Defendant within the State of California to certain violations under the Labor Code, including Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 ("PAGA Notice").

On October 14, 2021, Plaintiff commenced the Lawsuit by filing a representative PAGA action in the Superior Court of California, County of Orange ("Operative Complaint"). The Lawsuit is premised on Defendant's alleged: (1) failure to pay minimum and overtime wages; (2) failure to provide paid sick leave; (3) failure to provide meal and rest breaks; (4) failure to timely pay wages during employment; (5) failure to timely pay wages upon termination; (6) failure to provide complete and accurate wage statements; (7) failure to keep complete and accurate payroll records; and (8) failure to reimburse business expenses ("PAGA Claim").

In the lawsuit, Plaintiff claimed that Defendant owed civil penalties under PAGA to Plaintiff and the Settlement Group Members for alleged violations of the Labor Code. Defendant denies that it violated the Labor Code, denies the allegations in the Operative Complaints, and denies all liability under PAGA to Plaintiff, Settlement Group Members, and State of California.

The merits of the Lawsuit have not been determined. However, on _________, the Superior Court of California, County of Orange, approved a settlement of the Lawsuit that Defendant entered to avoid the costs and disruption of litigation.

III. Who are the Settlement Group Members

The Settlement Group, Settlement Group Members, and Settlement Period are defined as:

All current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the period from August 4, 2020, through September 28, 2025.

IV. Why This Letter Is Being Sent to You

The settlement approved by the Superior Court of California, County of Orange, involves payment of civil penalties. In accordance with PAGA, seventy-five percent (75%) of the civil penalties paid under the settlement goes to the California Labor and Workforce Development Agency. The remaining twenty-five percent (25%) of the civil penalties paid under the settlement will be distributed to all Settlement Group Members. This letter is being sent to you because you have been identified as a Settlement Group Member.

V. Summary of the Settlement Payments

After engaging in discovery, investigations, and negotiations, the Parties negotiated a settlement for this Lawsuit after attending mediation to avoid the burden and uncertainty of further litigation. Pursuant to the settlement, Defendant agreed to pay $450,000 ("Gross Settlement Amount"). Since you have been determined to be a Settlement Group Member, you will receive your portion of the settlement after the following payments have been deducted from the Gross Settlement Amount:

1) Thirty-five percent (35%) of the Gross Settlement Amount as the Attorneys' Fees Award to Plaintiff's Counsel and $20,000 as the Litigation Costs Award to Plaintiff's Counsel for their time and effort expended on this Lawsuit;

2) $5,000 to Plaintiff as the Enhancement Payment for the time and effort and for the risk undertaken in bringing and prosecuting this Lawsuit; and

3) $12,000 as the Administration Costs to the Settlement Administrator for assisting the Parties with administering this Lawsuit.

The portion of the Gross Settlement Amount remaining after the Attorneys' Fees Award, Litigation Costs Award, Enhancement Payment, and Administration Costs are paid shall be designated the PAGA Penalties Fund. Seventy-five percent (75%) of the PAGA Penalties Fund will be paid to the LWDA for enforcement of labor laws, and twenty-five percent (25%) of the PAGA Penalties Fund shall be designated as the Net Settlement Amount and will be paid to the Settlement Group on a pro rata basis. The portion of the settlement that the Settlement Group Members are entitled to receive is known as the Individual Settlement Awards.

VI. How the Amount of Your Settlement Payment Was Determined

Based on Defendant's records, it was determined that you worked _____ pay periods during the period from August 4, 2020, through September 28, 2025. Based on the total number of pay periods allocated to you, your settlement payment is calculated to be $_____.

The Individual Settlement Award that the Settlement Group Members are entitled to receive will be determined by using the following formula:

1) Individual Settlement Award = Net Settlement Amount x (total number of pay periods worked by the Settlement Group Member ÷ total number of pay periods worked by all the Settlement Group Members).

If you believe that the number of pay periods allocated to you is incorrect, you may dispute this information by faxing, emailing, or mailing a written dispute along with supporting documentation providing contrary information to the Settlement Administrator at __________ on or before __________. The Settlement Administrator may make the initial decisions regarding claim disputes, but the Court may review any decision made by the Settlement Administrator regarding a claim dispute.

The settlement check that will be mailed to you following the expiration of the above-mentioned deadline or at the conclusion of any dispute and will remain negotiable for one hundred twenty (120) calendar days after the date of its issuance ("Check Stale Date"). If your settlement check is not cashed, deposited, or negotiated on or before the Check Stale Date, it will be voided and directed to the California State Controller's Unclaimed Property Fund in your name.

VII. Consequences of the Settlement

The Lawsuit was filed exclusively as a representative action under PAGA, which functions as a substitute for an enforcement action by the State of California. As stated above, you cannot exclude yourself from this settlement.

The Court's order and judgment approving the settlement of the Lawsuit binds all persons, including nonparty employees, who would be bound by a judgment in an action brought by California itself. As a result, although you are not a "party" to the Lawsuit, the judgment entered upon settlement of the Lawsuit is binding on you with respect to any claims for civil penalties under PAGA encompassed by the settlement. That is true regardless of whether you choose to cash, deposit, or negotiate your settlement check. In other words, even if you do not cash your settlement check, you will still be bound by the release set forth below.

Effective on the date when Defendant fully funds the Gross Settlement Amount, Plaintiff, all Settlement Group Members, LWDA, and any and all allegedly aggrieved employees will be barred from pursuing civil penalties available under PAGA against the Released Parties based on the facts alleged in the Operative Complaint and PAGA Notice and that arose during the Settlement Period. This release includes, but is not limited to, Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and IWC Wage Orders.

The Released Parties include Defendant and its parents, subsidiaries, affiliates, predecessors, successors in interest, agents, insurers, employees (current and former), officers, directors, and attorneys.

VIII. Taxation of Your Individual Settlement Award and Your Tax Responsibilities

You will be issued an IRS Form 1099 in connection with the funds paid to you via your settlement check if the amount is $600 or more. You are solely responsible for all tax obligations attributable to you that may arise because of receiving your settlement check. If you have any tax-related questions regarding your settlement check, you should direct them to your own tax advisor.

IX. Where to Get More Information

Do not call or contact the Superior Court of California, County of Orange, about this letter, settlement, your settlement check, or Lawsuit in general. If you have questions, you may contact _______________, the Settlement Administrator, at ______________.

Dated: INSERT DATE

PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is nalonsoesteban@justicelawcorp.com

On February 3, 2026, I served the foregoing document described as

SETTLEMENT AGREEMENT AND RELEASE

for the following case: **Gonzalez v. Network Capital Funding Corporation**
LWDA/Court Case No.: **LWDA Case No.: CM-840323-21**
Court Case No.: 30-2021-01226206-CU-OE-CXC
Orange County Superior Court

on interested parties in this action by electronically submitting as follows:
State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION
Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE
I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on February 3, 2026, at Pasadena, California.

Noelia Alonso Esteban