

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Sylvia Martinez (“Plaintiff”) and Defendant CCS Los Angeles Janitorial, Inc. and the CCS Entities (defined below in 1.6) (“Defendant”). The Agreement refers to Plaintiff, Defendant, collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Sylvia Martinez v. CCS Los Angeles Janitorial, Inc., et al.*, Case No. 22STCV14985 initiated on May 4, 2022 and pending in the Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Phoenix Settlement Administrator, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of the Settlement.
- 1.4. “Aggrieved Employees” mean all current and former hourly-paid or non-exempt employees employed by the CCS Entities (defined below in 1.6) within the State of California at any time during the PAGA Period (defined below in 1.19).
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in the CCS Entities’ possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6. “CCS Entities” means CCS Los Angeles Janitorial, Inc., CCS Engineering Fresno, Inc., CCS Engineering Los Angeles, Inc., CCS Engineering Orange County, Inc., CCS Engineering San Diego, Inc., CCS Orange County Janitorial, Inc., CCS San Diego Janitorial, Inc., Pacific Building Care, Inc., PBC Commercial Cleaning Systems, Inc., and CCS Georgia Janitorial, Inc.

- 1.7. "Court" means the Superior Court of the State of California, County of Los Angeles.
- 1.8. "Defense Counsel" means William C. Sung and Tiffany L. Luu of Lewis Brisbois Bisgaard & Smith LLP.
- 1.9. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order approving the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Aggrieved Employee objects to the Settlement or files a motion to intervene, the day the Court enters Judgment; (b) if one or more Aggrieved Employee objects to the Settlement or files a motion to intervene, the day after the deadline for filing a notice of appeal from the Judgment or order denying the motion to intervene; or if a timely appeal from the Judgment or denial of the motion to intervene is filed, the day after the appellate court affirms the Judgment or order denying the motion to intervene and issues a remittitur.
- 1.10. "Gross Settlement Amount" means Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00) which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual PAGA Payments (defined in 1.11 below), the LWDA PAGA Payment (defined in 1.14 below), PAGA Counsel Fees Payment (defined in 1.22 below), PAGA Counsel Litigation Expenses Payment (defined in 1.22 below), Plaintiff's Service Award (defined in 1.26 below), and the Administration Expenses.
- 1.11. "Individual PAGA Payment" or "Individual PAGA Settlement Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties (defined in 1.24 below) calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.12. "Judgment" means the judgment entered by the Court upon approval of the Settlement substantially in the same form as **Exhibit 1** attached hereto.
- 1.13. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.14. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

- 1.15. "Defendant" means named CCS Los Angeles Janitorial, Inc. and the other CCS Entities.
- 1.16. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Plaintiff's Service Award, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses. The remainder is to be paid to Aggrieved Employees and the LWDA as PAGA Penalties.
- 1.17. "Operative Complaint" means Plaintiff's First Amended Complaint.
- 1.18. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for the CCS Entities for at least one day during the PAGA Period. PAGA Pay Periods are based on pay periods during which at least one day was worked.
- 1.19. "PAGA Period" means starts on October 1, 2020 and ends on the earlier of: (1) ninety (90) days from February 14, 2023; or (2) the date of approval of this Settlement.
- 1.20. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).
- 1.21. "PAGA Counsel" means Ronald H. Bae and Olivia D. Scharrer of Aequitas Legal Group.
- 1.22. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for payment of attorneys' fees and reimbursement of expenses, incurred to prosecute the Action.
- 1.23. "PAGA Notice" means Plaintiff's letters to the CCS Entities and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.24. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of Released PAGA Claims (defined in 1.27 below).

- 1.25. "Plaintiff" means Plaintiff Sylvia Martinez.
- 1.26. "Plaintiff's Service Award" means the monetary award paid to Plaintiff for Plaintiff's services in this PAGA action, which shall be paid in addition to Plaintiff's share of the Individual PAGA Payment.
- 1.27. "Released PAGA Claims" means the claims being released as described in Paragraph 5.2 below.
- 1.28. "Released Parties" means the CCS Entities and their former, present, and future owners, parents, shareholders, members, partners, predecessors, successors, assigns, all affiliates and affiliated companies, management companies, joint venturers, subsidiaries, officers, directors, agents (including any investment bankers, consultants, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors, and employees), employees, and stockholders.
- 1.29. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

- 2.1. Plaintiff's Operative Complaint against the CCS Entities alleges a single cause of action for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* arising from the following California Labor Code violations: (1) Failure to Pay Minimum, Regular, and Overtime Wages pursuant to California Labor Code sections 510, 558, 558.1, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198 and applicable Industrial Welfare Commission ("IWC") Wage Orders; (2) Failure to Provide Meal Breaks pursuant to California Labor Code sections 226.7 and 512 and applicable IWC Wage Orders; (3) Failure to Provide Rest Breaks pursuant to California Labor Code section 226.7 and applicable IWC Wage Orders; (4) Failure to Pay Wages Timely Upon Termination pursuant to California Labor Code sections 201, 202, and 203; (5) Failure to Provide Compliant Wage Statements pursuant to California Labor Code sections 226, 226(a), and 1174; and (6) Failure to Pay Wages Timely During Employment pursuant to California Labor Code section 204; (7) Failure to Provide California Paid

Sick Leave and COVID-19 Supplemental Paid Sick Leave and to Maintain Records pursuant to California Labor Code sections 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.5, and 248.6; (8) Failure to Provide Notice of Material Terms of Employment pursuant to California Labor Code section 2810.5; and (9) Failure to Reimburse Employees for Necessary Business Expenses pursuant to California Labor Code sections 2800 and 2802, (the "Operative Complaint.") The CCS Entities deny the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave notice by online submission to the LWDA and by certified mail to the CCS Entities of the specific provisions of the California Labor Code that the CCS Entities allegedly violated.
- 2.3. On February 14, 2023, the Parties participated in an all-day mediation presided over by Louis Marlin, Esq., which led to this Agreement to settle the Action. Prior to mediation, Plaintiff obtained, through informal discovery, documents and information, including, but not limited to: (1) Plaintiff's personnel file and time and payroll records; (2) a PAGA List of Aggrieved Employees; (3) a 15% groupwide sampling of time and payroll records; (4) the CCS Entities' employee handbooks and policy documents in effect; (5) exemplars of the CCS Entities' wage statements provided to employees; and (6) various data points regarding the non-exempt employees, including, but not limited to the total number of pay periods worked by the Aggrieved Employees during the PAGA Period.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Defendant promises to pay Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.2 of this Agreement.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the approval of the Settlement:

- 3.2.1. To Plaintiff: Plaintiff's Service Award to Plaintiff of not more than Fifteen Thousand Dollars and Zero Cents (\$15,000.00) (in addition to any Individual PAGA Payment that Plaintiff is entitled to receive). The CCS Entities will not oppose Plaintiff's request for Plaintiff's Service Award that does not exceed this amount. Plaintiff will seek Court approval for any Plaintiff's Service Award. If the Court approves a Plaintiff's Service Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Aggrieved Employees. The Administrator will pay Plaintiff's Service Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on Plaintiff's Service Award.
- 3.2.2. To Class Counsel: A PAGA Counsel Fees Payment of not more than one-third (33.33%) of the Gross Settlement Amount, which is currently estimated to be Two Hundred and Fifty Thousand Dollars and Zero Cents (\$250,000.00) and a PAGA Counsel Litigation Expenses Payment of not more than Twelve Thousand Dollars and Zero Cents (\$12,000.00). The CCS Entities will not oppose requests for these payments provided that they do not exceed these amounts. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount to be distributed to Aggrieved Employees. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds the CCS Entities harmless, and indemnifies the CCS Entities, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3. To the Administrator: The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Twelve Thousand Nine Hundred Ninety-Nine Dollars and Zero Cents (\$12,995.00) except for a showing of good cause and as approved by the Court. To the extent the actual Administration Expenses are less

or the Court approves payment less than Twelve Thousand Nine Hundred Ninety-Nine Dollars and Zero Cents (\$12,995.00), the Administrator will retain the remainder in the Net Settlement Amount. Any unused funds of this cost allocation will revert to Aggrieved Employees. All Administration Expenses, including the cost of paying uncashed or returned checks to the State Controller's Unclaimed Property Fund, shall be paid from the Gross Settlement Amount. Defendant shall not be required to pay additional funds toward Administration Expenses.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties are to be paid from the Net Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate 75% of the approved PAGA Penalties to the LWDA PAGA Payment and 25% of the approved PAGA Penalties to the Individual PAGA Payments. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Data. Not later than fifteen (15) days after the Court enters an order and Judgment approving the Settlement, Defendant will simultaneously deliver the Aggrieved Employee Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee's privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to

effect and perform under this Agreement.

- 4.2. Funding of Gross Settlement Amount. Defendant shall fund the Gross Settlement Amount within thirty (30) calendar days after the Effective Date.
- 4.3. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff's Service Award, and the Administration Expenses.
 - 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to Aggrieved Employees via First Class U.S. Mail, postage prepaid along with a notice of the Settlement ("Settlement Notice") substantially in the same form as **Exhibit 2** attached hereto. The face of each check shall prominently state the date (not less than one hundred eighty (180) days after the date of mailing) when the check will be voided. The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all other Aggrieved Employee whose checks are returned undelivered without USPS forwarding address. Within seven (7) calendar days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.
 - 4.4.3. For any Aggrieved Employee whose Individual PAGA Settlement Payments check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee thereby leaving no "unpaid residue" subject to the

requirements of California Code of Civil Procedure Section 384, subd. (b).

- 4.4.4. The payment of Individual PAGA Settlement Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Upon the Effective Date, Plaintiff and all Aggrieved Employees will release claims against all Released Parties as follows:

- 5.1 Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to, all PAGA claims that were, or reasonably could have been, alleged based on facts and legal assertions contained in the Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action ("Plaintiff's Release").

- 5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

- 5.2 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA civil penalties under California Labor Code §§ 2699, *et seq.* that were alleged, or reasonably could have been alleged, that arose during the PAGA Period, based on the facts and legal assertions stated in the Operative Complaint, the PAGA Notice, and ascertained in the course of the Action, including any and all claims for any alleged failure to pay minimum, regular, and overtime wages

pursuant to California Labor Code sections 510, 558, 558.1, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198 and applicable IWC Wage Orders; failure to provide meal breaks pursuant to California Labor Code sections 226.7 and 512 and applicable IWC Wage Orders; failure to provide rest breaks pursuant to California Labor Code section 226.7 and applicable IWC Wage Orders; failure to pay wages timely upon termination pursuant to California Labor Code sections 201, 202, and 203; failure to provide compliant wage statements pursuant to California Labor Code sections 226, 226(a), and 1174; failure to pay wages timely during employment pursuant to California Labor Code section 204; failure to provide California paid sick leave and COVID-19 supplemental paid sick leave and to maintain records pursuant to California Labor Code sections 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.5, and 248.6; failure to provide notice of material terms of employment pursuant to California Labor Code section 2810.5; and failure to reimburse employees for necessary business expenses pursuant to California Labor Code sections 2800 and 2802 (the "Released PAGA Claims").

- 5.3 Release by the State of California: The State of California is deemed to release the Released Parties from all Released PAGA Claims.

6. APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file a motion or stipulation for approval of the Settlement that includes a request for approval of the Settlement, a proposed order approving the settlement, and a proposed Judgment.

- 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of the Settlement under Labor Code Section 2699, subd. (f)(2)). Plaintiff shall also submit the Settlement to the LWDA.

Responsibilities of Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the motion or stipulation for approval of the Settlement and supporting papers no later than thirty (30) days after the full execution of this Agreement and obtaining a prompt hearing date (if needed) for the motion.

- 6.2 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Settlement approval motion or stipulation and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work

together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant approval or conditions approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. Material modification to the Agreement by the Court voids the Agreement at the option of the adversely affected party. The Court's decision to award less than the amounts requested for PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff's Service Award, PAGA Penalties, and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 6.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as permitted by law.
- 6.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel, and all Aggrieved Employees waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final.
- 6.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Aggrieved Employees), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain approval of the Settlement and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Plaintiff's Service Award or any payments to PAGA Counsel shall not constitute

a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrator and will ask the Court to appoint it to serve as the Administrator and to perform all duties specified in this Agreement in exchange for payment of Administration Expenses.
- 7.2 Employer Identification Number. The Administrator take steps to establish a case-specific Employer Identification Number, if necessary, for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.
 - 7.4.1 PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Aggrieved Employee challenges over the calculation of PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.
 - 7.4.2 Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide PAGA Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) calendar days before any deadline set by the Court, the Administrator will prepare, and submit to PAGA Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. PAGA Counsel is responsible for filing the Administrator's declaration in Court.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.

Escalator Clause. If the number of PAGA Pay Periods worked by Aggrieved Employees from October 1, 2020 to February 14, 2023 is 62,701 or more, Defendant, in its sole discretion, may increase the Gross Settlement Amount in proportion to the amount of PAGA Pay Periods in excess of 62,700 or adjust the PAGA Period so that the number of PAGA Pay Periods is no more than 62,701.

9. ADDITIONAL PROVISIONS.

- 9.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by the CCS Entities that any of the allegations in the Operative Complaint have merit or that the CCS Entities have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that the CCS Entities' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, the CCS Entities reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest the CCS Entities' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 9.2 Confidentiality Prior to Preliminary Approval. Plaintiff, PAGA Counsel, the CCS Entities, and Defense Counsel separately agree that, until the Motion for Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, PAGA

Counsel, the CCS Entities, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the motion or stipulation for approval of the Settlement, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect.

Additionally, Plaintiff and PAGA Counsel agree they shall make no public statement or release regarding this Agreement, and agree not to post the settlement terms, amount, or that they obtained a settlement from the CCS Entities on their website or social media accounts.

- 9.3 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 9.4 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and the CCS Entities, respectively, 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 reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 9.5 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 9.6 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

- 9.7 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 9.8 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 9.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 9.10 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 9.11 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 9.12 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 9.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 9.14 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 9.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff and the Aggrieved Employees:

Ronald H. Bae
Olivia D. Scharrer
Carson M. Turner
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To the CCS Entities:

William C. Sung
Tiffany L. Luu
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E-Mails: william.sung@lewisbrisbois.com
tiffany.luu@lewisbrisbois.com

- 9.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 9.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement.
- 9.18 Fair Settlement. The Parties, PAGA Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement

of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

IT IS SO AGREED.



Sylvia Martinez
Plaintiff and PAGA Representative

03/13/2023

Date



By: Cameron Hall
CCS Los Angeles Janitorial, Inc. and the
other CCS Entities

March 14, 2023

Date

APPROVED AS TO FORM



Ronald H. Bae
Olivia D. Scharrer
Aequitas Legal Group
Counsel for the Aggrieved Employees

March 13, 2023

Date



William C. Sung
Tiffany L. Luu
Lewis Brisbois Bisgaard & Smith LLP
Counsel for Defendants

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Date