

CASE NO. 22STCV27600 SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between plaintiff ERNESTO SANDOVAL (“Plaintiff”), on the one hand, and defendants CAPELLA, INC. (“CAPELLA”) and SHIRAN ARNALDES a/k/a SHIRAN MOSHEHAI (“ARNALDES”) (collectively, “Defendants”), on the other hand. The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging individual wage and hour violations, and claims brought on behalf of current and former aggrieved employees pursuant to the California Private Attorneys General Act, Labor Code sections 2698, et seq., Case No. 22STCV27600, against Defendants, captioned *Ernesto Sandoval v. Capella, Inc. et al.* initiated on August 24, 2022 and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement, with the exception of the Individual Non-PAGA Payment.
- 1.3. “Administration Expenses Payment” 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 this Settlement.
- 1.4. “Aggrieved Employee” means any individual performed services for Capella in the capacity of an HVAC installer, repairperson, or technician, in California, whether as an independent contractor or non-exempt employee, at any time during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, SSN or TIN, and number of cumulative PAGA Pay Periods as an employee or independent contractor.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. “Court” means the Superior Court of California, County of Los Angeles.
- 1.8. “Defense Counsel” means Law Offices of Benjamin Davidson, P.C.

- 1.9. “Gross Settlement Amount” means **\$45,000.00**, which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay the Individual **Non-PAGA** Payment, the Individual PAGA Payment, the LWDA PAGA Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.10. “Individual **Non-PAGA** Payment” means payment to settle Plaintiff’s Individual Non-PAGA Claims.
- 1.11. “Individual PAGA Payment” means the Aggrieved Employee’s *pro rata* share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.12. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699(i).
- 1.14. “LWDA PAGA Payment” means the 75% of the Net Settlement Amount paid to the LWDA under Labor Code section 2699(i).
- 1.15. “Net Settlement Amount” means the amount to be paid to the LWDA as the LWDA PAGA Payment and to the Aggrieved Employees as Individual PAGA Payments from the Gross Settlement Amount, after deducting: Individual **Non-PAGA** Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.
- 1.16. “PAGA Counsel” means Gutierrez Derham Law Firm LLP, the attorneys representing the Plaintiff in the Action.
- 1.17. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.18. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.19. “PAGA Period” means the period from July 8, 2021, through the date of the Approval Order.
- 1.20. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*).
- 1.21. “PAGA Notice” means Plaintiff’s December 15, 2021, and July 8, 2022, letters to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3(a).

- 1.22. “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 PAGA claims.
- 1.23. “PAGA Settlement Amount” means the amount to be paid to the LWDA as the LWDA PAGA Payment and to the Aggrieved Employees as Individual PAGA Payments, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment after deducting the Individual **Non-PAGA** Payment from the Gross Settlement Amount.
- “Plaintiff” means Ernesto Sandoval, the named plaintiff in the Action.
- 1.24. “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.25. “Released PAGA Claims” means the claims being released by the Plaintiff and as described in Paragraph 6(a) below.
- 1.26. “Released Individual Claims” means the claims being released by the Plaintiff as described in Paragraph 6(b) below.
- 1.27. “Released Parties” means: Defendants and each of their former and present directors, officers, spouses, employees, shareholders, owners, attorneys, insurers, predecessors, successors, assigns.
- 1.28. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.29. “Defendant” means named Defendants CAPELLA, INC., and SHIRAN ARNALDES a/k/a SHIRAN MOSHEHAI.

2. RECITALS.

- 2.1. On August 24, 2022, Plaintiff commenced this Action by filing a Complaint (the “Operative Complaint”) wherein Plaintiff alleged individual causes of action against Defendants for: (1) Failure to Provide Meal and Rest Periods or Compensation in Lieu Thereof in Violation of Labor Code § 226.7; (2) Failure to Provide Accurate Itemized Wage Statements; (3) Labor Code § 226(f) Penalty; (4) Labor Code § 1198.5(k) Penalty; and (5) Labor Code § 203 Waiting Time Penalty (collectively, “Individual Non-PAGA Claims”); and wherein Plaintiff alleged a cause of action on behalf of himself and other alleged aggrieved employees pursuant to the Private Attorneys General Act alleging violations of Labor Code §§ 204, 210, 226, 226.3, 226.7, 226.8 510, 512, 558, 1174(d), 1174.5, 1198, and 2802. (the “Individual PAGA Claims”).
- 2.2. Defendants deny the allegations in the Operative Complaint, deny any failure to comply

with the laws identified in in the Operative Complaint and deny any and all liability for the causes of action alleged. The Parties agree that this Agreement shall not be deemed an admission of any wrongdoing or liability by any Defendant.

- 2.3. On December 10, 2021, and July 8, 2022, Plaintiff gave written notice to Defendants and the LWDA pursuant to Labor Code section 2699.3 by sending the PAGA Notice, and the LWDA Case No. is LWDA-CM-857960-21.
- 2.4. On February 7, 2023, the Parties participated in a half-day mediation presided over by settlement officers from the Resolve Law Los Angeles Resolve Law LA Virtual MSC Program, which led to an agreement in principle to settle the Action, resulting in this Agreement.
- 2.5. Prior to mediation, Plaintiff obtained, through informal settlement negotiations with defense counsel, information about the wage and hour practices of Defendants.
- 2.6. The Parties, PAGA Counsel, and Defense 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.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendants promise to pay **\$45,000.00** and no more as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire portion of the Gross Settlement Amount designated for the Individual PAGA Payment without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
- 3.2. Payments from the Gross Settlement Amount. Defendants shall pay the following from the Gross Settlement Amount:
 - 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33% of the PAGA Settlement Amount of \$11,250, which is currently estimated to be \$3,712.50, and PAGA Counsel Litigation Expenses Payment of not more than \$900.00. Defendants will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. Apart from this payment, 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.

- 3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$1,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$1,000.00, the Administrator will retain the remainder in the Net Settlement Amount. Any increase in the Administration Expenses shall not cause an increase in the Gross Settlement Amount unless the Administrator Expenses are increased due to the aggrieved employees exceeding 6.
- 3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$5,637.50 to be paid from the Gross Settlement Amount, with 75% (\$4,228.12) allocated to the LWDA PAGA Payment and 25% (\$1,409.38) allocated to the Individual PAGA Payments.
- 3.2.3.1. 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 Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods, which shall include pay periods in which they were classified as independent contractors as well as employees. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
- 3.2.3.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.
- 3.2.4. To Plaintiff: Individual **Non-PAGA** Payment of \$33,750.00 for statutory penalties, unreimbursed expenses, interest and fees, for which Defendants shall issue IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates that, as of the date of this Settlement Agreement, including Plaintiff, there are 5 Aggrieved Employees who worked a total of 222 PAGA Pay Periods.
- 4.2. Aggrieved Employee Data. Within 15 days of the court 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' 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. Defendants have a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data

omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount after the Court approves the settlement per the following schedule:

- 4.3.1. 90 days after the court approves the settlement, Defendants shall deliver a check in the amount of \$11,250.00 to Plaintiff's Counsel made payable to "Gutierrez Derham Law Firm Trust Account," which shall be payment one of three for Plaintiff's Individual **Non-PAGA** Payment.
- 4.3.2. 180 days after the court approves the settlement, Defendants shall deliver a check in the amount of \$11,250.00 to Plaintiff's Counsel made payable to "Gutierrez Derham Law Firm Trust Account," which shall be payment two of three for Plaintiff's Individual **Non-PAGA** Payment.
- 4.3.3. 270 days after the court approves the settlement, Defendants shall deliver a check in the amount of \$11,250.00 to Plaintiff's Counsel made payable to "Gutierrez Derham Law Firm Trust Account," which shall be payment three of three for Plaintiff's Individual **Non-PAGA** Payment.
- 4.3.4. 365 days after the after the court approves the settlement, Defendants shall transmit \$11,250.00 to the Administrator, as the **PAGA Settlement Amount**.
- 4.3.5. Time is of the essence for timely delivery of the settlement payments as set forth herein. If any payment is 5 days late, then PAGA Counsel shall notify Defendants' counsel via email to b davidson@bendavidsonlaw.com of the delinquency. If the delinquency is not cured within 5 days of notice by PAGA Counsel, this agreement shall become a judgment for the full unpaid amount plus 7% of the remaining unpaid amount.

4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendants funds the PAGA Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment.. The PAGA Counsel Litigation Expenses Payment from the PAGA Settlement Amount shall not precede disbursement of Individual PAGA Payments provided Defendants timely provide the required aggrieved employee data to the administrator.

- 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send

them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. 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 Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 14 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 Payment 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.

4.4.4. The payment of Individual PAGA 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.

5.1. Release of PAGA Claims: Effective on the date when Defendants fully funds the entire Gross Settlement Amount, all Aggrieved Employees, including Plaintiff in his capacity as an Aggrieved Employee, 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 (as defined below) from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice, including the following Labor Code statutes: 204, 210, 226, 226.3, 226.7, 226.8, 510, 512, 558, 1174(d), 1174.5, 1198, and 2802.

5.2. Plaintiff's Release. In exchange for the promises and covenants contained herein, including the Individual non-PAGA Payment and other good and valuable consideration, Plaintiff as of the date of his signature below, and subject to the Court's approval of the PAGA Settlement, hereby releases and discharges Defendants Capella, Inc. and Shiran Arnaldes aka Shiran Moshe-Hai, and their respective owners, shareholders, officers, directors, managers, employees, contractors, clients, representatives, agents, spouses attorneys, successors, and all present and future related entities, including but not limited to Eli

Moshe-Hai (collectively, the “Released Parties”), from the Action and any and all waivable rights, claims, causes of action, and damages, both known and unknown, in law or in equity, of any nature whatsoever, which Plaintiff may now have or ever had, including any and all waivable claims including but not limited to claims arising under the Civil Rights Act, Age Discrimination in Employment Act of 1967, Older Workers Benefits Protection Act, Fair Labor Standards Act, Employee Retirement Income Security Act, Americans with Disabilities Act, National Labor Relations Act, Vocational Rehabilitation Act, Immigration Reform and Control Act, Worker Adjustment and Retraining Notification Act, Fair Credit Reporting Act, Equal Pay Act, Family and Medical Leave Act, California Moore-Brown-Roberti Family Rights Act, California Unruh Civil Rights Act, California Tom Banes Act, California Domestic Partner Rights and Responsibilities Act, California Private Attorney General Act, California Fair Employment and Housing Act, California Wage Theft Protection Act, California Labor Code, California Industrial Welfare Commission Wage Orders, or any other federal, state, or local employment practice legislation, or federal or state common law, including but not limited to defamation, wrongful discharge, breach of express or implied contract, or violation of public policy. Notwithstanding the foregoing, this release does not include claims that cannot be released or waived as a matter of law..

- 5.3. Plaintiff’s General Release and 1542 Waiver: 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.

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** Any of the Parties may prepare and file an application or motion for approval of this Settlement. Plaintiff, however, agrees to prepare and file the motion for approval.
- 6.1 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting via Zoom or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting via Zoom or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.
- 6.2. Supporting Declaration. In further consideration for the settlement of the PAGA Claims, Defendants shall provide a declaration confirming that all individuals who performed services for Capella in the capacity of an HVAC installer, repairperson, or technician, in California as an independent contractor were reclassified to employees by January 15, 2022. The declaration shall be submitted to the Court for obtaining approval of the settlement.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator. The Parties represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes providing 1099 forms.
- 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.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

- 8.1 Estimations. Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 5 Aggrieved Employees who worked 220 pay periods during the PAGA Period.

9. CONTINUING JURISDICTION OF THE COURT.

- 9.1 Pursuant to Code of Civil Procedure § 664.6, the Parties agree that the Court may retain jurisdiction for the purpose of enforcing full performance of the terms of this Agreement. In the event that one or more of the Parties institutes any motion, legal action, or other proceeding against any other Party or Parties to enforce the provisions of this Agreement or to declare rights and/or obligations under this PAGA Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions.
- 9.2 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 are permitted by law.
- 9.3 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 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 another party 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, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

- 10.1 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 Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's 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, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's 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).
- 10.2 Integrated Agreement. Upon execution by all Parties, 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.
- 10.3 Cooperation. The Parties 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.
- 10.4 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.
- 10.5 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.

- 10.6 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.
- 10.7 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.8 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.
- 10.9 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.
- 10.10 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.
- 10.11 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.
- 10.12 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.
- 10.13 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g. 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.
- 10.14 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. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.
- 10.15 Invalidity of Any Provision/Severability. Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. If any term or provision of this

Agreement is held to be invalid or unenforceable, the remaining portions of this Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

- 10.16 Parties' Authority: The Parties as signatories hereto hereby represent that they are fully authorized to enter into this PAGA Agreement and bind the Parties to the terms and conditions hereof.

Date: 04 / 12 / 2023

Ernesto S.

Plaintiff ERNESTO SANDOVAL

Date:

Defendant SHIRAN ARNALDES a/k/a SHIRAN
MOSHEHAI on behalf of herself and on behalf of Defendant
CAPELLA, INC.

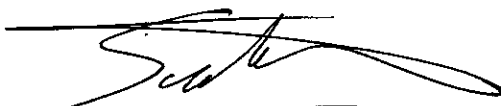
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Date:

Plaintiff ERNESTO SANDOVAL

Date:



Defendant SHIRAN ARNALDES a/k/a SHIRAN
MOSHEHAI on behalf of herself and on behalf of Defendant
CAPELLA, INC.

Agreement is held to be invalid or unenforceable, the remaining portions of this Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

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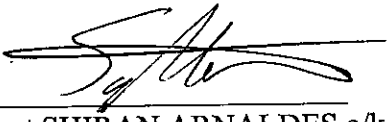
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