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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

GREG ENCISO on behalf of themselves and
all others similarly situated,

Plaintiff,

v.

MASTER LIGHTNING SECURITY
SOLUTIONS, INC., a California corporation;
FRANKCRUM 1, INC., a Florida
corporation; and DOES 1 through 100,
inclusive

Defendants.

CASE NO.: CIVSB2133451

[Assigned for all purposes to the Hon.
Joseph T. Ortiz in Dept. S-17]

**CLASS AND PAGA SETTLEMENT
AGREEMENT**

Action Filed: December 3, 2021

Trial Date: None Set

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and
2 between plaintiff GREG ENCISO (“Plaintiff”) and Defendant MASTER LIGHTNING
3 SECURITY SOLUTIONS, INC. (“Defendant”). The Agreement refers to Plaintiff and
4 Defendant collectively as “Parties,” or individually as “Party.”

5 **1. DEFINITIONS**

6 1.1. “Action” or “Lawsuit” means Plaintiff’s lawsuit alleging class wide wage and hour
7 violations and claims for civil penalties under California Private Attorneys’ General Act of 2004,
8 California Labor Code § 2698 et seq. (“PAGA”), against Defendant, captioned *Greg Enciso v.*
9 *Master Lightning Security Solutions, Inc.*, Case No. CIVSB2133451, initiated on December 3,
10 2021, and pending in Superior Court of the State of California, County of San Bernardino.

11 1.2. “Administrator” means Apex Class Action, LLC (“Apex”), the neutral entity the Parties
12 have agreed to appoint to administer the Settlement.

13 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid
14 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance
15 with the Administrator’s “not to exceed” bid submitted to the Court in connection with
16 Preliminary Approval of the Settlement.

17 1.4. “Aggrieved Employee” means a person currently or formerly employed by Defendant,
18 either directly or through any subsidiary, staffing agency, or professional employer organization,
19 as a non-exempt, hourly-paid employee who worked for Defendant in California during the
20 PAGA Period.

21 1.5. “Class” means all persons currently or formerly employed by Defendant, either directly
22 or through any subsidiary, staffing agency, or professional employer organization, as a non-
23 exempt, hourly-paid employee who worked for Defendant in California during the Class Period.

24 1.6. “Class Counsel” means David D. Bibiyan and Vedang J. Patel of Bibiyan Law Group,
25 P.C.

26 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean
27 the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and
28 expenses, respectively, incurred to prosecute the Action.

1.8. “Class Data” means Class Member identifying information in Defendant’s custody, possession, or control, including the Class Member’s (1) name; (2) last known address(es); (3) last known telephone number(s); (4) last known Social Security Number(s); (5) the total pay periods worked during the PAGA Period; and (6) the dates of employment (i.e., hire dates, and, if applicable, re-hire date(s) and/or separation date(s).

1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.

1.11. “Class Notice” means the NOTICE OF CLASS ACTION SETTLEMENT AND DATE FOR FINAL APPROVAL HEARING, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. “Class Period” means the period from December 3, 2017 through December 19, 2024.

1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15. “Court” means the Superior Court of California, County of San Bernardino.

1.16. “Defendant” means named defendant Master Lightning Security Solutions, Inc.

1.17. “Defense Counsel” means Devon M. Lyon, Esq and Matthew Perez, Esq of Lyon Legal, P.C.

1.18. “Effective Date” means the later of: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the

1 Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members
2 objects to the Settlement, the day after the deadline for filing a notice of appeal from the
3 Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court
4 affirms the Judgment and issues a remittitur.

5 1.19. "Final Approval" means the Court's order granting final approval of the Settlement.

6 1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval
7 of the Settlement.

8 1.21. "Final Judgment" means the Judgment entered by the Court based upon the Final
9 Approval.

10 1.22. "Gross Settlement Amount" means Seven Hundred Seventy Thousand Dollars and Zero
11 Cents (\$770,000.00) which is the total amount Defendant agrees to pay under the Settlement,
12 except as provided in Paragraph 8.1 below and any and all employer payroll taxes owed on the
13 Wage Portions of the Individual Class Payments. The Gross Settlement Amount will be used to
14 pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class
15 Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, and
16 Administrator's Expenses.

17 1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the
18 Net Settlement Amount calculated according to the number of Workweeks worked during the
19 Class Period.

20 1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of
21 the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA
22 Period.

23 1.25. "Judgment" means the judgment entered by the Court based upon Final Approval.

24 1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency
25 entitled, under Labor Code section 2699, subd. (i).

26 1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA
27 under Labor Code section 2699, subd. (i).

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1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.30. “Notice Packet” means the Class Notice (which is a notice of proposed class and representative action settlement that will be sent to the Class Members and which will advise each Class Member of the Settlement, including how their Individual Class Payment, and if applicable, their Individual PAGA Payment, will be calculated; Class Member rights and deadlines to be excluded from the Class; and the setting of a Final Approval Hearing), the Request for Exclusion Form, and Objection Form, including their Spanish language versions.

1.31. “Operative Complaint” means the Third Amended Complaint to be filed with the Superior Court of the State of California, County of San Bernardino in the Action prior to the Motion for Preliminary Approval of the Settlement Agreement which alleges claims for: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal breaks or compensation in lieu thereof; (4) failure to provide rest breaks or compensation in lieu thereof; (5) waiting time penalties; (6) wage statement violations; (7) failure to timely pay wages; (8) failure to indemnify, a violation of Labor Code § 2802; (9) unfair competition pursuant to Business and Professions Code section 17200, et seq.; and (10) penalties under the Private Attorneys General Act of 2004 for violations of the Labor Code. The Operative Complaint includes additional claims for (1) Failure to Pay Split Shift Premiums; and (2) Failure to Pay Reporting Time Pay.

1.32. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

1.33. “PAGA Period” means the period from December 2, 2020, through December 19, 2024.

1.34. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

1.35. “PAGA Notice” means plaintiff’s November 2, 2023 letter to defendant and the LWDA, providing notice pursuant to Labor Code section 2699.3 subd. (a).

1.36. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$77,000.00), allocated 25% to the Aggrieved Employees (\$12,250.00) and 75% to the LWDA (\$57,750.00) in settlement of PAGA claims.

1.37. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.38. “Plaintiff” means Greg Enciso, the named plaintiff in the Action.

1.39. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.40. “Preliminary Approval Order” means the proposed Order granting Preliminary Approval and Approval of PAGA Settlement.

1.41. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.42. “Released PAGA Claims” means the claims being released as described in Paragraph 5.4 below.

1.43. “Released Parties” means: Defendant, and each of their former, present and future owners, parents, and subsidiaries, and all of their current, former, and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, and assigns.

1.44. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member and timely submitted to the Administrator. Any Class Member, except for Plaintiff, may submit a Request for Exclusion, using the form provided within the Notice Packet.

1.45. “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) mail Requests for Exclusion from the Settlement, or (b) mail his or her Objection to the

Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 15 days beyond the Response Deadline has expired.

1.46. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.47. “Workweek” means any week during which a Class Member worked for Defendant, for at least one day during the Class Period, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

2. RECITALS

2.1. On December 2, 2021, Plaintiff filed with the LWDA and served on Defendant, a notice under Labor Code section 2699.3, stating Plaintiff intended to serve as a proxy of the LWDA to recover civil penalties on behalf of Aggrieved Employees for alleged Labor Code violations (the “PAGA Notice”).

2.2. On December 3, 2021, Plaintiff commenced this Action by filing a Class Action Complaint for damages in the Superior Court of the State of California for the County of San Bernardino, Case No. CIVSB2133451. Plaintiff alleged violations, including but limited to, (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods (and/or premium pay in lieu thereof); (4) failure to provide rest periods (or premium pay in lieu thereof); (5) waiting time penalties; (6) wage statement violations; (8) failure to indemnify; and (9) unfair competition

2.3. On January 22, 2024, after sixty-five (65) days had passed without any action by the LWDA with respect to the Labor Code violations alleged in the PAGA Notice, Plaintiff filed a First Amended Complaint (“FAC”) in the Action, adding a cause of action under the Labor Code Private Attorneys’ General Act of 2004 (“PAGA”).

2.4. On February 20, 2024, the Parties stipulated to Plaintiff filing a Second Amended Complaint in the Action to correct an error in the FAC.

2.5. Thereafter, the Parties agreed to exchange informal discovery and attend mediation.

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1 2.6. Prior to mediation Plaintiff obtained, through informal discovery: (a) time and payroll
2 records for 100% of the estimated 315 non-exempt employees working for Defendant in
3 California during the period running from December 3, 2017, through March 2023; (b) two
4 employee handbooks, dated 2021 and 2024, purporting to reflect some of the policies in effect
5 during the Class Period; (c) Plaintiff's personnel files maintained by Defendant; and (d) a copy
6 of the purported arbitration agreements purportedly signed by Class Members.

7 2.7. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in
8 *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker*
9 *Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

10 2.8. On October 19, 2024, the Parties participated in an all-day mediation presided over by
11 Ms. Lynn Frank, which led to the Parties reaching this Agreement to settle the Action.

12 2.9. As part of this Agreement, the Parties further agree to stipulate to Plaintiff filing a Third
13 Amended Complaint in the Action, adding claims for (1) Failure to Pay Split Shift Premiums;
14 and (2) Failure to Pay Reporting Time Pay.

15 2.10. The Court has not granted class certification.

16 2.11. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any
17 other pending matter or action asserting claims that will be extinguished or affected by the
18 Settlement.

19 **3. MONETARY TERMS**

20 3.1. Gross Settlement Amount. Defendant promises to the Gross Settlement Amount of
21 \$770,000.00, unless increased pursuant to Paragraph 8.1 of this Agreement, and to separately pay
22 any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments.
23 Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to
24 the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire
25 Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved
26 Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount
27 will revert to Defendant.

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1 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct
2 the following payments from the Gross Settlement Amount, in the amounts specified by the Court
3 in the Final Approval:

4 3.2.1. To Plaintiff: Class Representative Service Payment to Plaintiff of not more than
5 \$7,500.00 in addition to any Individual Class Payment and any Individual PAGA
6 Payment Plaintiff is entitled to receive as a Participating Class Member. Defendant will
7 not oppose Plaintiff's request for a Class Representative Service Payment that does not
8 exceed this \$7,500.00 amount. As part of the motion for Class Counsel Fees Payment
9 and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class
10 Representative Service Payments prior to the Final Approval Hearing. If the Court
11 approves a Class Representative Service Payment less than the amount requested, the
12 Administrator will retain the remainder in the Net Settlement Amount. The
13 Administrator will pay the Class Representative Service Payment using IRS Form 1099.
14 Plaintiff assumes full responsibility and liability for employee taxes owed on the Class
15 Representative Service Payment.

16 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third
17 (1/3) of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph
18 8.1 of this Agreement, is currently estimated to be \$256,410.00 and a Class Counsel
19 Litigation Expenses Payment of not more than \$25,000.00. Defendant will not oppose
20 requests for these payments provided that do not exceed these amounts. Plaintiff and/or
21 Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation
22 Expenses Payment prior to the Final Approval Hearing. If the Court approves a Class
23 Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than
24 the amounts requested, the Administrator will allocate the remainder to the Net
25 Settlement Amount. Released Parties shall have no liability to Class Counsel or any
26 other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee
27 Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will
28 pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one

1 or more IRS 1099 Forms. Class Counsel assume full responsibility and liability for taxes
2 owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses
3 Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute
4 or controversy regarding any division or sharing of any of these Payments. There will
5 be no additional charge of any kind to either the Settlement Class Members or request
6 for additional consideration from Defendant for such work unless, Defendant materially
7 breach this Agreement, including any term regarding funding, and further efforts are
8 necessary from Class Counsel to remedy said breach, including, without limitation,
9 moving the Court to enforce the Agreement. Should the Court approve attorneys' fees
10 and/or litigation costs and expenses in amounts that are less than the amounts provided
11 for herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

12 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed
13 \$7,990.00, except for a showing of good cause and as approved by the Court. To the
14 extent the Administration Expenses are less or the Court approves payment less than
15 \$7,990.00, the Administrator will retain the remainder in the Net Settlement Amount
16 and the difference between the actual and estimated class administration fees will revert
17 to the class.

18 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated
19 by (a) dividing the Net Settlement Amount by the total number of Workweeks worked
20 by all Participating Class Members during the Class Period and (b) multiplying the
21 result by each Participating Class Member's Workweeks.

22 3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating
23 Class Member's Individual Class Payment will be allocated to settlement of
24 wage claims (the "Wage Portion"). The Wage Portions are subject to tax
25 withholding and will be reported on an IRS W-2 Form. The 80% of each
26 Participating Class Member's Individual Class Payment will be allocated to
27 settlement of claims for interest and penalties (the "Non-Wage Portion"). The
28 Non-Wage Portions are not subject to wage withholdings and will be reported

on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$77,000.00 to be paid from the Gross Settlement Amount, with 75% (\$57,750.00) allocated to the LWDA PAGA Payment, and 25% (\$19,250.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$19,250.00) 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. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. 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.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 319 Class Members who collectively worked a total of no more than 22,000 Workweeks, and 206 Aggrieved Employees who worked a total of 5,315 PAGA Pay Periods.

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1 4.2. Class Data. Not later than 14 days after the Court grants Preliminary Approval of the
2 Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft
3 Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain
4 the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no
5 other purpose, and restrict access to the Class Data to Administrator employees who need access
6 to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty
7 to immediately notify Class Counsel if it discovers that the Class Data omitted class member
8 identifying information and to provide corrected or updated Class Data as soon as reasonably
9 feasible. Without any extension of the deadline by which Defendant must send the Class Data
10 to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good
11 faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

12 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
13 Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by
14 transmitting the funds to the Administrator no later than 14 days after the Effective Date.

15 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant fund the
16 Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments,
17 all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses
18 Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and
19 the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment,
20 the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment
21 shall not precede disbursement of Individual Class Payments, and the Individual PAGA
22 Payments.

23 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
24 Individual PAGA Payments and send them to the Class Members via First Class U.S.
25 Mail, postage prepaid. The face of each check shall prominently state the date (not less
26 than 180 days after the date of mailing) when the check will be voided. The
27 Administrator will cancel all checks not cashed by the void date. The Administrator
28 will send checks for Individual Settlement Payments to all Participating Class Members

(including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. 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 a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 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 Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or 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 Class Member, 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 Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

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1 **5. RELEASE OF CLAIMS**

2 Effective upon entry of Judgment, the Order granting Final Approval of this Settlement,
3 and on the date when Defendant fully fund the entire Gross Settlement Amount and fund all
4 employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff,
5 Class Members, and Class Counsel will release claims against all Released Parties as follows:

6 5.1. Plaintiff's Release. Plaintiff and his respective former and present spouses,
7 representatives, agents, attorneys, heirs, administrators, successors, beneficiaries, devisees,
8 legatees, executors, trustees, conservators, guardians, personal representatives, and assigns
9 generally, release and discharge Released Parties from all charges, complaints, claims, liabilities,
10 obligations, promises, agreements, controversies, damages, actions, causes of action, lawsuits,
11 rights, demands, costs, losses, debts, and expenses (including back wages, statutory penalties,
12 civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and costs) of
13 any nature whatsoever, transactions, or occurrences, from the beginning of time through the
14 execution of this Agreement, whether known or unknown, suspected or unsuspected, including,
15 but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the
16 facts contained, in the Operative Complaint;(b) all PAGA claims that were, or reasonably could
17 have been, alleged based on facts contained in the Operative Complaint and Plaintiff's PAGA
18 Notice; and, (c) all claims arising out of, based upon, or relating to Plaintiff's employment with
19 Master Lightning Security Solutions, Inc. or the termination of such employment ("Plaintiff's
20 Release.")

21 5.1.1. Without limiting the generality of the foregoing, Plaintiff's Release includes all
22 federal, state, and local statutory claims, federal, state, and local common law claims
23 (including, but not limited to, those for tort, contract, and equity), including without
24 limitation the Americans with Disabilities Act, Age Discrimination in Employment Act,
25 Title VII of the Civil Rights Act of 1964 (as amended), 42 USC § 1983, the Fair Labor
26 Standards Act, the Employment Retirement Income Security Act of 1974, the California
27 Constitution, the California Fair Employment and Housing Act, the California Unfair
28

1 Competition Act (*California Business and Professions Code* section 17200, et seq.) and
2 the California Labor Code.

3 5.1.2. Plaintiff's Release does not extend to any claims or actions to enforce this
4 Agreement, or to any claims for vested benefits, unemployment benefits, disability
5 benefits, social security benefits, workers' compensation benefits that arose at any time,
6 or based on occurrences outside the Class Period.

7 5.1.3. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or
8 in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees,
9 nonetheless, that Plaintiff's Release shall be and remain effective in all respects,
10 notwithstanding such different or additional facts or Plaintiff's discovery of them.

11 5.1.4. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For
12 purposes of Plaintiff's Release only, Plaintiff expressly waives and relinquish the
13 provisions, rights, and benefits, if any, of section 1542 of the California Civil Code,
14 which reads:

15 **A general release does not extend to claims that the creditor or releasing party does**
16 **not know or suspect to exist in his or her favor at the time of executing the release,**
17 **and that if known by him or her would have materially affected his or her**
18 **settlement with the debtor or Released Party.**

19 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a
20 full and complete release and discharge of all Parties, Plaintiff expressly acknowledges
21 that this Settlement Agreement is intended to include in its effect, without limitation, all
22 claims against the Released Parties, known or unknown, suspected or unsuspected,
23 which exist or may exist on behalf of or against the other at the time of execution of this
24 Settlement Agreement, including, but not limited to, any and all claims relating to or
25 arising from Plaintiff's employment with Master Lightning Security Solutions, Inc. The
26 only claims not covered by this release are claims that cannot be released by private or
27 court approved agreement under applicable law.
28

1 5.2. Release by Participating Class Members: For the duration of the Class Period, all
2 Participating Class Members, on behalf of themselves and their respective former and present
3 representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the
4 Released Parties from all claims that were alleged, or reasonably could have been alleged, based
5 on the facts stated in the Operative Complaint. Participating Class Members do not release any
6 other claims, including claims for vested benefits, wrongful termination, violation of the Fair
7 Employment and Housing Act, unemployment insurance, disability, social security, workers'
8 compensation, or claims based on facts occurring outside the Class Period.

9 5.2.1. Each Participating Class Member will be deemed to have made the foregoing
10 Release as if by manually signing it.

11 5.3. Release by Aggrieved Employees: For the duration of the PAGA Period, all Aggrieved
12 Employees are deemed to release, on behalf of themselves and their respective former and present
13 representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released
14 Parties from all claims for PAGA penalties that were alleged, or reasonably could have been
15 alleged, based on the facts stated in the Operative Complaint and the PAGA Notice.

16 5.3.1. Regardless of whether a Class Member and/or Aggrieved Employee submits a
17 valid Request for Exclusion, neither Plaintiff nor any Aggrieved Employee shall have
18 the right to opt-out or otherwise exclude themselves from the Released PAGA Claims.

19 5.3.2. It is the intent of the Parties that the Final Approval judgment shall have full
20 equitable and collateral estoppel and res judicata effect to the fullest extent permitted by
21 law.

22 6. MOTION FOR PRELIMINARY APPROVAL

23 The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion
24 for Preliminary Approval") that complies with the Court's current checklist for Preliminary
25 Approvals.

26 6.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all
27 documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and
28 memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the

1 Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor
2 Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and
3 Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from
4 the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting
5 to its willingness to serve; competency; operative procedures for protecting the security of Class
6 Data; amounts of insurance coverage for any data breach, defalcation of funds or other
7 misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members;
8 and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense
9 Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve
10 and disclosing all facts relevant to any actual or potential conflicts of interest with Class
11 Members; (v) a signed declaration from each Class Counsel firm attesting to its competency to
12 represent the Class Members; its timely transmission to the LWDA of all necessary PAGA
13 documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative
14 Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699,
15 subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class
16 Members and the Administrator.

17 6.2. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
18 for expeditiously finalizing and filing the Motion for Preliminary Approval after the full
19 execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary
20 Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary
21 Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the
22 Administrator.

23 6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
24 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
25 Defense Counsel will expeditiously work together on behalf of the Parties by meeting and
26 conferring, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary
27 Approval or conditions Preliminary Approval on any material change to this Agreement, Class
28 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by

meeting and conferring, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION

7.1. Selection of Administrator. The Parties have jointly selected Apex to serve as the Administrator and verified that, as a condition of appointment, Apex agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel 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 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. Notice to Class Members

7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable)

used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3. Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.3.1. The re-mailed Class Notice to Class Members whose Class Notice is returned shall be identical to the original Class Notice, except that it shall notify the Class Members that the Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 15 days from the original deadline dates in the Class Notice.

7.4.4. The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 15 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 15 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

1 7.5. Requests for Exclusion (Opt-Outs).

2 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement
3 must send the Administrator, by mail, a signed written Request for Exclusion not later
4 than 45 days after the Administrator mails the Class Notice (plus an additional 15 days
5 for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter
6 from a Class Member or his/her representative that reasonably communicates the Class
7 Member's election to be excluded from the Settlement and includes the Class Member's
8 name, address and email address or telephone number. To be valid, a Request for
9 Exclusion must be timely postmarked by the Response Deadline. Any Class Member
10 who is an Aggrieved Employee who requests timely exclusion will still be bound by the
11 PAGA Settlement in regard to the Released PAGA Claims to the fullest extent permitted
12 by law and will receive an Individual PAGA Payment. The Parties and their counsel
13 shall not encourage or solicit Class members to submit requests for exclusion or
14 objection, directly or indirectly, through any means.

15 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it
16 fails to contain all the information specified in the Class Notice. The Administrator
17 shall accept any Request for Exclusion as valid if the Administrator can reasonably
18 ascertain the identity of the person as a Class Member and the Class Member's desire
19 to be excluded. The Administrator's determination shall be final and not appealable or
20 otherwise susceptible to challenge. If the Administrator has reason to question the
21 authenticity of a Request for Exclusion, the Administrator may demand additional proof
22 of the Class Member's identity. The Administrator's determination of authenticity shall
23 be final and not appealable or otherwise susceptible to challenge.

24 7.5.3. Every Class Member who does not submit a timely and valid Request for
25 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled
26 to all benefits and bound by all terms and conditions of the Settlement, including the
27 Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement,
28

1 regardless whether the Participating Class Member actually receives the Class Notice
2 or objects to the Settlement.

3 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a
4 Non-Participating Class Member and shall not receive an Individual Class Payment or
5 have the right to object to the class action components of the Settlement. Because future
6 PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-
7 Participating Class Members who are Aggrieved Employees are deemed to release the
8 claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual
9 PAGA Payment.

10 7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after
11 the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose
12 Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods
13 (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge
14 the allocation by communicating with the Administrator via mail. The Administrator must
15 encourage the challenging Class Member to submit supporting documentation. In the absence
16 of any contrary documentation, the Administrator is entitled to presume that the Workweeks
17 contained in the Class Notice are correct so long as they are consistent with the Class Data. The
18 Administrator's determination of each Class Member's allocation of Workweeks and/or Pay
19 Periods shall be final and not appealable or otherwise susceptible to challenge. The
20 Administrator shall promptly provide copies of all challenges to calculation of Workweeks
21 and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination
22 the challenges.

23 7.7. Objections to Settlement

24 7.7.1. Only Participating Class Members may object to the class action components of
25 the Settlement and/or this Agreement, including contesting the fairness of the
26 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
27 Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

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1 7.7.2. Participating Class Members may send written objections to the Administrator, by
2 mail. In the alternative, Participating Class Members may appear in Court (or hire an
3 attorney to appear in Court) to present verbal objections at the Final Approval Hearing.
4 A Participating Class Member who elects to send a written objection to the
5 Administrator must do so not later than 45 days after the Administrator's mailing of the
6 Class Notice (plus an additional 15 days for Class Members whose Class Notice was re-
7 mailed).

8 7.7.3. Non-Participating Class Members have no right to object to any of the class action
9 components of the Settlement.

10 7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
11 performed or observed by the Administrator contained in this Agreement or otherwise.

12 7.8.1. Website, Email Address and Toll-Free Number. The Administrator will maintain
13 and use an internet website to post information of interest to Class Members including
14 the date, time and location for the Final Approval Hearing and copies of the Settlement
15 Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class
16 Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment,
17 Class Counsel Litigation Expenses Payment and Class Representative Service Payment,
18 the Final Approval and the Judgment. The Administrator will also maintain and monitor
19 an email address and a toll-free telephone number to receive Class Member calls and
20 emails.

21 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
22 promptly review on a rolling basis Requests for Exclusion to ascertain their validity.
23 Not later than 5 days after the expiration of the deadline for submitting Requests for
24 Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel
25 containing (a) the names and other identifying information of Class Members who have
26 timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and
27 other identifying information of Class Members who have submitted invalid Requests
28

for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5. Administrator’s Declaration. Before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

7.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide

1 Class Counsel and Defense Counsel with a final report detailing its disbursements by
2 employee identification number only of all payments made under this Agreement. At
3 least 7 days before any deadline set by the Court, the Administrator will prepare, and
4 submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in
5 Court attesting to its disbursement of all payments required under this Agreement. Class
6 Counsel is responsible for filing the Administrator's declaration in Court.

7 **8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE**

8 Based on its records, Defendant estimates that, as of the date the Parties agreed to settle
9 at mediation, (1) there are 319 Class Members and no more than 22,000 Total Workweeks during
10 the Class Period and (2) there are 206 Aggrieved Employees who worked a total of 5,315 PAGA
11 Pay Periods.

12 8.1. Increase in Workweeks. Defendant represents that there are no more than 22,000
13 Workweeks worked during the Class Period. In the event the number of Workweeks worked
14 increases by more than 10%, or an additional 2,200 Workweeks worked, then the Gross
15 Settlement Amount shall be increased proportionally by the Workweeks worked in excess of
16 24,200 multiplied by the Workweek Value for each additional Workweek above 24,200. The
17 Parties agree that the Workweek Value amounts to \$35.00 per Workweek (\$770,000 / 22,000
18 Workweeks). Thus, for example, should there be 27,000 Workweeks in the Class Period, then
19 the Gross Settlement Amount shall be increased by \$98,000 ([27,000 Workweeks – 24,200
20 Workweeks] x \$35.00 per Workweek).

21 **9. MOTION FOR FINAL APPROVAL**

22 Prior to the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for
23 final approval of the Settlement that includes a request for approval of the PAGA settlement
24 under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed
25 Judgment (collectively “Motion for Final Approval”). Plaintiff shall endeavor to provide drafts
26 of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class
27 Counsel and Defense Counsel will expeditiously meet and confer, and in good faith, to resolve
28 any disagreements concerning the Motion for Final Approval.

1 9.1. Response to Objections. Each Party retains the right to respond to any objection raised
2 by a Participating Class Member, including the right to file responsive documents in Court no
3 later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted
4 by the Court.

5 9.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
6 Approval on any material change to the Settlement (including, but not limited to, the scope of
7 release to be granted by Class Members), the Parties will expeditiously work together in good
8 faith to address the Court's concerns by revising the Agreement as necessary to obtain Final
9 Approval. The Court's decision to award less than the amounts requested for the Class
10 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation
11 Expenses Payment, Administrator Expenses Payment and/or individual claims of plaintiff for
12 alleged wrongful termination, shall not constitute a material modification to the Agreement
13 within the meaning of this paragraph.

14 9.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
15 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of
16 (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters,
17 and (iii) addressing such post-Judgment matters as are permitted by law.

18 9.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
19 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
20 Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their
21 respective counsel, and all Participating Class Members who did not object to the Settlement as
22 provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to
23 post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions
24 for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver
25 of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the
26 Parties' obligations to perform under this Agreement will be suspended until such time as the
27 appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect
28 the amount of the Net Settlement Amount.

1 9.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
2 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
3 modification of this Agreement (including, but not limited to, the scope of release to be granted
4 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
5 expeditiously work together in good faith to address the appellate court's concerns and to obtain
6 Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration
7 Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify
8 the Court's award of the Class Representative Service Payment or any payments to Class Counsel
9 shall not constitute a material modification of the Judgment within the meaning of this paragraph,
10 as long as the Gross Settlement Amount remains unchanged

11 **10. AMENDED JUDGMENT**

12 If any amended judgment is required under Code of Civil Procedure section 384, the
13 Parties will work together in good faith to jointly submit and a proposed amended judgment.

14 **11. ADDITIONAL PROVISIONS**

15 11.1. No Admission of Liability, Class Certification or Representative Manageability for Other
16 Purposes. This Agreement represents a compromise and settlement of highly disputed claims.
17 Nothing in this Agreement is intended or should be construed as an admission by Defendant that
18 any of the allegations in the Operative Complaint have merit or that Defendant have any liability
19 for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that
20 Defendant's defenses in the Action have merit. The Parties agree that class certification and
21 representative treatment is for purposes of this Settlement only. If, for any reason the Court does
22 grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserve the right to
23 contest certification of any class for any reasons, and Defendant reserve all available defenses to
24 the claims in the Action, and Plaintiff reserves the right to move for class certification on any
25 grounds available and to contest Defendant's defenses. The Settlement, this Agreement and
26 Parties' willingness to settle the Action will have no bearing on, and will not be admissible in
27 connection with, any litigation (except for proceedings to enforce or effectuate the Settlement
28 and this Agreement).

1 11.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and
2 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
3 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
4 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
5 or indirectly, specifically or generally, to any person, corporation, association, government
6 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
7 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
8 extent necessary to report income to appropriate taxing authorities; (4) in response to a court
9 order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal
10 government agency. Each Party agrees to immediately notify each other Party of any judicial or
11 agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant
12 and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or
13 other communication, before the filing of the Motion for Preliminary Approval, any with third
14 party regarding this Agreement or the matters giving rise to this Agreement except to respond
15 only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class
16 Counsel's communications with Class Members in accordance with Class Counsel's ethical
17 obligations owed to Class Members.

18 11.3. No Solicitation. The Parties separately agree that they and their respective counsel and
19 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
20 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's
21 ability to communicate with Class Members in accordance with Class Counsel's ethical
22 obligations owed to Class Members.

23 11.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
24 together with its attached exhibits shall constitute the entire agreement between the Parties
25 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
26 inducements made to or by any Party.

27 11.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
28 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate

1 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
2 its terms, and to execute any other documents reasonably required to effectuate the terms of this
3 Agreement including any amendments to this Agreement.

4 11.6. Cooperation. The Parties and their counsel will cooperate with each other and use their
5 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
6 Settlement Agreement, submitting supplemental evidence and supplementing points and
7 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
8 or content of any document necessary to implement the Settlement, or on any modification of the
9 Agreement that may become necessary to implement the Settlement, the Parties will seek the
10 assistance of a mediator and/or the Court for resolution.

11 11.7. No Prior Assignments. The Parties separately represent and warrant that they have not
12 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
13 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
14 action, or right released and discharged by the Party in this Settlement.

15 11.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are
16 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
17 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR
18 Part 10, as amended) or otherwise.

19 11.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
20 modified, changed, or waived only by an express written instrument signed or agreed to by all
21 Parties or their representatives, and approved by the Court. Plaintiff and Defendant expressly
22 agree that should the Parties agree to amend, modify, change, or waive this Agreement, or any
23 part of it, Class Counsel and Defense Counsel are authorized to submit to the Court any
24 amendments of this Agreement, amended Agreements, or amendments to the Agreement, on
25 behalf of the Parties once fully executed, which includes, but is not limited to, authorization of
26 the use of signatures previously provided by the Parties.

27 11.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to
28 the benefit of, the successors of each of the Parties.

1 11.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
2 governed by and interpreted according to the internal laws of the state of California, without
3 regard to conflict of law principles.

4 11.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of
5 this Agreement. This Agreement will not be construed against any Party on the basis that the
6 Party was the drafter or participated in the drafting

7 11.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered
8 during Action and in this Agreement relating to the confidentiality of information shall survive
9 the execution of this Agreement

10 11.14. Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code
11 §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant
12 in connection with the mediation, other settlement negotiations, or in connection with the
13 Settlement, may be used only with respect to this Settlement, and no other purpose, and may not
14 be used in any way that violates any existing contractual agreement, statute, or rule of court.

15 11.15. Headings. The descriptive heading of any section or paragraph of this Agreement is
16 inserted for convenience of reference only and does not constitute a part of this Agreement.

17 11.16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall
18 be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
19 weekend or federal legal holiday, such date or deadline shall be on the first business day
20 thereafter.

21 11.17. Execution in Counterparts. This Agreement may be executed in one or more counterparts
22 by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall
23 be accepted as an original. All executed counterparts and each of them will be deemed to be one
24 and the same instrument if counsel for the Parties will exchange between themselves signed
25 counterparts. Any executed counterpart will be admissible in evidence to prove the existence
26 and contents of this Agreement.

27 11.18. Stay of Litigation. The Parties agree that upon the execution of this Agreement the
28 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further

1 agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend
2 the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement
3 process.

4 11.19. Severability. In the event that one or more of the provisions contained in this Agreement
5 shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity,
6 illegality, or unenforceability shall in no way effect any other provision if Defendant's Counsel
7 and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing
8 to proceed as if such invalid, illegal, or unenforceable provision had never been included in this
9 Agreement.

10 **IT IS SO AGREED:**

11 *GREG ENCISO*

12 06/08/2026

13 Plaintiff, Greg Enciso

14 For Defendant, Master
15 Lightning Security Solutions, Inc.

16
17 **AGREED AS TO FORM ONLY:**

18 *Vedang J. Patel*

19 06/08/2026

20 David D. Bibiyan
21 Vedang J. Patel
22 Counsel for Plaintiff

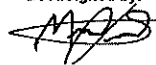
23 Devon M. Lyon
24 Matthew Perez
25 Counsel for Defendant

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.

11.19. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendant's Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

IT IS SO AGREED:

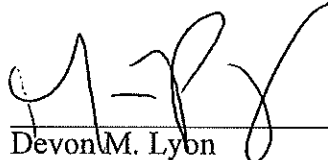
Plaintiff, Greg Enciso

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Miguel Suarez
For Defendant, Master
Lightning Security Solutions, Inc.

AGREED AS TO FORM ONLY:

David D. Bibiyan
Vedang J. Patel
Counsel for Plaintiff



Devon M. Lyon
Matthew Perez
Counsel for Defendant