PAGA SETTLEMENT AGREEMENT

Subject to approval by the Court, this settlement agreement is made between Plaintiff Jesus Herrera (hereinafter "Plaintiff"), on behalf of himself and aggrieved employees, and Defendant Reeve Store Equipment Company (hereinafter "Defendant") (collectively, Plaintiff and Defendant are referred to as the "Parties" and individually as "Party"). This agreement is intended to settle the case entitled *Jesus Herrera v. Reeve Store Equipment Company* (Los Angeles County Superior Court, Case No. 22STCV04239) ("Action").

I. DEFINITIONS

In addition to the other terms defined in this agreement, the terms below have the following meaning:

1. **Administration Costs**: The costs incurred by the Settlement Administrator, Apex Class Action LLC, to administer this Settlement, which shall not exceed $2,500. All Administration Costs shall be paid from the Gross Settlement Amount. If the actual Settlement Administrator's costs are less than the amount allocated in this agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Aggrieved Employees and the LWDA.

2. **Aggrieved Employees**: All current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period.

3. **Aggrieved Employee Data**: Defendant shall deliver to the Settlement Administrator a list of the following information for each Aggrieved Employee: (1) first and last name; (2) last known mailing address; (3) social security number; (4) telephone number; and (5) dates worked for Defendant during the PAGA Period. The Aggrieved Employee Data shall be based on Defendant's payroll, personnel, and other business records.

4. **Agreement, Settlement Agreement, or Settlement**: The settlement agreement reflected in this document, titled "PAGA Settlement Agreement."

5. **Approval Order**. The order granting approval of the Settlement.

6. **Attorneys Fee Award**: The amount of attorneys' fees approved by the Court and awarded to PAGA Counsel. This amount shall not exceed one-third of the Gross Settlement Amount, which is currently estimated to be $93,333.33. The Attorneys Fee Award shall be paid from the Gross Settlement Amount. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Aggrieved Employees and the LWDA.

7. **Cost Award**: The amount allocated to PAGA Counsel for payment of actual litigation costs and expenses, which shall not exceed $25,000. The Cost Award will be paid from the Gross Settlement Amount and will not be opposed by Defendant. The Cost Award is subject to Court approval. If the actual costs incurred are less than the amount allocated in this Agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this Agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Aggrieved Employees and the LWDA.

8. **Court**: Superior Court of California for the County of Los Angeles.

9. **Cover Letter**: Cover Letter, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval

10. **Defendant**: Reeve Store Equipment Company.

11. **Defendant's Counsel**: Eric H. DeWames and Christopher A. Olsen of Michael Sullivan & Associates LLP.

12. **Effective Date:** The effective date of this Settlement means the date by when the Court enters the Judgment.

13. **Gross Settlement Amount or GSA**: The total value of the Settlement, which is a non-reversionary amount of $280,000. This is the gross amount Defendant can be required to pay under this Settlement Agreement, subject to Paragraph 39.A. The Gross Settlement Amount includes without limitation: (1) the Net Settlement Amount to the LWDA and Aggrieved Employees, as approved by the Court; (2) the Attorneys Fee Award and Cost Award to PAGA Counsel for attorneys' fees and costs, as approved by the Court; (3) the PAGA Representative Enhancement Payment paid to the Plaintiff, as approved by the Court; and (4) the Administration Costs, as approved by the Court. No portion of the Gross Settlement Amount will revert to Defendant for any reason.

14. **Individual PAGA Settlement Share(s)**: The twenty-five percent (25%) portion of the Net Settlement Amount payable to each Aggrieved Employee under the terms of this Settlement Agreement. Aggrieved Employees are not required to submit a claim form to receive their Individual PAGA Settlement Shares pursuant to this Agreement. Aggrieved Employees will receive an Individual PAGA Settlement Share automatically, without the return of a claim form.

15. **Judgment**: The judgment entered by the Court based upon the Approval Order.

16. **LWDA**: California Labor and Workforce Development Agency ("LWDA"). The LWDA is empowered to enforce the Labor Code Private Attorneys General Act, California Labor Code section 2698, *et seq.*, and has delegated such authority to Plaintiff with regard to the claim in the Action through the procedural mechanisms provided for by statute.

17. **LWDA Payment**: Refers to the seventy-five percent (75%) portion of the Net Settlement Amount that is to be paid to the LWDA as described in this Settlement.

18. **Net Settlement Amount or NSA**: The total amount of money available for payout to Aggrieved Employees and the LWDA, which is the GSA less the Attorneys Fee Award, Cost Award, PAGA Representative Enhancement Payment, and Administration Costs.

19. **PAGA**: The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).

20. **PAGA Counsel**: Jonathan M. Genish, Miriam L. Schimmel, Joana Fang, and Alexandra Rose of Blackstone Law, APC.

21. **PAGA Notice**: Plaintiff's February 3, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

22. **PAGA Period**: February 3, 2021 through March 28, 2024.

23. **PAGA Representative or Plaintiff**: Jesus Herrera.

24. **PAGA Representative Enhancement Payment**: The amount the Court awards to Plaintiff, which will not exceed $5,000.00. This payment shall be paid from the Gross Settlement Amount. This payment is being offered in consideration for Plaintiff executing a general release of claims against Defendant, a release that is broader than any Aggrieved Employee will provide in consideration for a settlement share. This payment is also offered in consideration for the Plaintiff's actions in conferring a benefit upon the State of California, and the time and effort Plaintiff put into pursuing the litigation. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Aggrieved Employees and the LWDA.

25. **Parties**: Plaintiff Jesus Herrera, as an individual and as PAGA Representative, and Defendant Reeve Store Equipment Company.

26. **Released PAGA Claims**: Any and all claims for civil penalties under the Private Attorneys General Act that were alleged or reasonably could have been alleged based on the facts alleged in the Operative Complaint and PAGA

Notice, arising during the PAGA Period, including, but not limited to, 1) Violation of Cal. Labor Code, sections 510 and 1198 (Unpaid Overtime); 2) Violation of Cal. Labor Code, sections 226.7 and 512(a) (Unpaid Meal Period Premiums); 3) Violation of Cal. Labor Code, section 226.7 (Unpaid Rest Period Premiums); 4) Violation of Cal. Labor Code, sections 1194, 1197, and 1197.1 (Unpaid Minimum Wages); 5) Violation of Cal. Labor Code, sections 201, 202, 203, and 204 (Wages Not Timely Paid During Employment or Upon Termination); 6) Violation of Cal. Labor Code, section 226(a) (Failure to Provide Accurate Wage Statements); 7) Violation of Cal. Labor Code, section 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); 8) Violation of Cal. Labor Code, section 1174(d) (Failure to Maintain Accurate Records); and 9) Violation of Cal. Labor Code, section 2699 (Private Attorneys General Act.)

27. **Released Parties**: Defendant and its past and present officers, directors, attorneys, affiliates, shareholders, predecessors, successors, and/or assigns.

28. **Settlement Administrator**: The third party administrator agreed upon by the Parties to administer this Settlement is Apex Class Action LLC.

29. **Workweek(s)**. Any week during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period, which will be calculated by the Settlement Administrator.

II. RECITALS

30. On February 3, 2022, pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

31. On February 3, 2022, Plaintiff filed a Class Action Complaint against Defendant in the Action. The complaint alleged the following causes of action against Defendant: 1) Violation of Cal. Labor Code, sections 510 and 1198 (Unpaid Overtime); 2) Violation of Cal. Labor Code, sections 226.7 and 512(a) (Unpaid Meal Period Premiums); 3) Violation of Cal. Labor Code, section 226.7 (Unpaid Rest Period Premiums); 4) Violation of Cal. Labor Code, sections 1194, 1197, and 1197.1 (Unpaid Minimum Wages); 5) Violation of Cal. Labor Code, sections 201, 202, and 203 (Final Wages Not Timely Paid); 6) Violation of Cal. Labor Code, section 226(a) (Failure to Provide Accurate Wage Statements); 7) Violation of Cal. Labor Code, sections 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); and 8) Violation of Cal. Business & Professions Code, section 117200, et seq.

32. On May 12, 2022, Plaintiff filed a First Amended Class Action and Representative Action Complaint ("Operative Complaint"), which added a cause of action under PAGA.

33. On November 17, 2023, the Court entered an Order, which dismissed the class claims in the Operative Complaint without prejudice.

34. On March 28, 2024, the Parties participated in a full-day mediation with respected wage and hour mediator, Lou Marlin, which resulted in the settlement that is reflected in this Agreement. Prior to the mediation, Defendant provided data, documents, and information permitting Plaintiff and PAGA Counsel to fully evaluate the PAGA exposure.

35. **Benefits of Settlement to Aggrieved Employees.** Plaintiff and PAGA Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff and PAGA Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiff and PAGA Counsel have conducted extensive settlement negotiations. Based on the foregoing, Plaintiff and PAGA Counsel believe the settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Aggrieved Employees and State of California.

36. **Defendant's Reasons for Settlement.** Defendant recognizes that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendant have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released PAGA Claims.

37. **Defendant's Denial of Wrongdoing.** Defendant generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged in the Action, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Action is not appropriate for representative treatment. Defendant asserts a number of defenses to the claims, and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendant.

38. **Plaintiff's Claims.** Plaintiff asserts that Defendant's defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession, or indication by or against

Plaintiff, Aggrieved Employees, or PAGA Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this Settlement is approved by the Court, Plaintiff, Aggrieved Employees, and PAGA Counsel will not oppose Defendant's efforts to use this Agreement to prove that Plaintiff and Aggrieved Employees have resolved and are forever barred from re-litigating the Released PAGA Claims.

III. SETTLEMENT TERMS AND CONDITIONS

39. Gross Settlement Amount. Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount that Defendant is obligated to pay under this Settlement Agreement is $280,000, subject to Paragraph 39.A. The Gross Settlement Amount includes: (1) the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees; (2) the Attorneys Fee Award and Cost Award to PAGA Counsel for attorneys' fees and costs, as approved by the Court; (3) the PAGA Representative Enhancement Payment paid to the PAGA Representative, as approved by the Court; and (4) the Administration Costs, as approved by the Court. No portion of the Gross Settlement Amount will revert to Defendant for any reason.

A. **Escalator Provision**: Defendant has represented that the Aggrieved Employees worked a total of 6,047 Workweeks during the PAGA Period. If, by the time the Settlement Administrator receives the Aggrieved Employee Data, it is determined that the Workweeks increased by more than 10% above 6,047 (i.e., by more than 6,652 Workweeks) Plaintiff shall have the right to demand a pro-rata increase from Defendant to the GSA equal to the percentage increase in the number of Workweeks worked by the Aggrieved Employees above 10%, and the right, but not obligation, to terminate the Settlement if Defendant refuses to such an increase in the GSA.

40. Appointment of PAGA Representative. Solely for the purposes of this Settlement, the Parties stipulate and agree that Plaintiff Jesus Herrera shall be appointed as the PAGA Representative.

41. Appointment of PAGA Counsel. Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint PAGA Counsel to represent the State of California and the Aggrieved Employees.

42. Constituents of Gross Settlement Amount Disbursement. Subject to the terms and conditions of this Agreement, the Settlement Administrator shall disburse the Gross Settlement Amount as directed later on herein to the following:

A. **To the Named Plaintiff:** In addition to his Individual PAGA Settlement Share, and subject to the Court's approval, the named Plaintiff, Jesus

Herrera, will receive up to $5,000 in consideration for providing Defendant a general release, a release that is broader than the claims released by Aggrieved Employees. Defendant shall not oppose this request. The Settlement Administrator will pay the PAGA Representative Enhancement Payment out of the Gross Settlement Amount. Payroll tax withholdings and deductions will not be taken from the PAGA Representative Enhancement Payment. An IRS Form 1099 will be issued to Plaintiff with respect to his PAGA Representative Enhancement Payment.

B. **To PAGA Counsel.** PAGA Counsel will apply to the Court for an Attorneys Fee Award not to exceed 1/3 of the GSA (which currently equates to $93,333.33) and a Cost Award not to exceed $25,000. Defendant shall not oppose this request. The Settlement Administrator will pay the Court approved amounts for the Attorneys Fee Award and Cost Award out of the Gross Settlement Amount. Payroll tax withholding and deductions will not be taken from the Attorneys Fee Award or the Cost Award. IRS Forms 1099 will be issued to PAGA Counsel with respect to the Attorneys Fee Award. In the event the Court does not approve the entirety of the application for the Attorneys Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by PAGA Counsel for the Attorneys Fee Award and/or Cost Award, the difference shall become part of the NSA and be available for distribution to the LWDA and Aggrieved Employees.

C. **To the Settlement Administrator.** The Settlement Administrator will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed $2,500. This will be paid out of the Gross Settlement Amount. If the actual amount of the Settlement Administrator's costs is less than the amount estimated and/or requested, the difference shall become part of the NSA and be available for distribution to the LWDA and Aggrieved Employees.

D. **To the LWDA and Aggrieved Employees.** The Settlement Administrator will pay 75% of the Net Settlement Amount to the LWD and 25% to Aggrieved Employees.

    i. **Individual PAGA Settlement Share Calculation.** Each Aggrieved Employee will receive a proportionate share of 25% of the Net Settlement Amount, which will be calculated by the Settlement Administrator by: (i) dividing the 25% portion of the Net Settlement Amount by the total number of Workweeks worked by all Aggrieved Employees; and (ii) multiplying the result by each Aggrieved Employee's total number of Workweeks.

ii. **Tax Withholdings.** Each Aggrieved Employee's Individual PAGA Settlement Share will be apportioned as 100% penalties. The Individual PAGA Settlement Shares shall therefore be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported on IRS 1099 forms.

43. Appointment of Settlement Administrator. Solely for the purposes of this Settlement, the Parties stipulate and agree that Apex Class Action LLC shall be retained to serve as the Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Cover Letter and Individual PAGA Settlement Shares; performing skip traces and remailing Cover Letters and Individual PAGA Settlement Shares to Aggrieved Employees; calling Aggrieved Employees with undeliverable addresses to obtain accurate addresses; calculating each Aggrieved Employee's Individual PAGA Settlement Share; maintaining a website which will include settlement documents; providing weekly status reports to Defendant's Counsel and PAGA Counsel; calculating and mailing the LWDA Payment to the LWDA; distributing the Attorneys Fee Award and Cost Award to PAGA Counsel; printing and providing Aggrieved Employees and Plaintiff with 1099 Forms (if applicable) as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the Settlement; providing any funds remaining in the QSF as a result of uncashed checks to the Unclaimed Property Division in the amount and name of each Aggrieved Employee whose check was canceled; and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

44. Procedure for Approving Settlement.

A. Cooperation.

i. All Parties and their counsel shall support the Settlement and take such steps as are reasonably necessary to effectuate the Settlement.

B. Motion for Approval of PAGA Settlement.

i. Paga Counsel shall send a copy of the Agreement to the LWDA.

ii. Plaintiff will file a motion for approval of the Settlement, proposed Judgment, and proposed Approval Order. The Parties agree that, after entry of the 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.

iii. **Effect of Denial of Settlement Approval.** Should the Court decline to approve the Settlement, the Settlement Agreement will be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorneys Fee Award, Cost Award, Administration Costs, and PAGA Representative Enhancement Payment shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement Agreement. Any order or proceeding relating to an application for the Attorneys Fee Award, Cost Award, Administration Costs, and PAGA Representative Enhancement Payment shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiff's ability to appeal any decision by the Court to award less than the requested Attorneys Fee Award, Cost Award, Administration Costs, and PAGA Representative Enhancement Payment.

C. Deadlines.

i. **Delivery of Aggrieved Employee Data.** Within five (5) business days after entry of the Approval Order, Defendant shall deliver to the Settlement Administrator an electronic database, which will list the Aggrieved Employee Data. If any or all of the required information in the Aggrieved Employee Data is unavailable to Defendant, Defendant will so inform PAGA Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will use the National Change of Address Database to obtain updated addresses for Aggrieved Employees. The Aggrieved Employee Data shall be based on Defendant's payroll, personnel, and other business records. The Settlement Administrator shall maintain the Aggrieved Employee Data and all information contained within the Aggrieved Employee Data as private and confidential.

ii. **Preparation of Individual PAGA Settlement Shares.** Based on the information in the Aggrieved Employee Data and the formulae set forth in Paragraph 42.D.i above, the Settlement Administrator shall promptly calculate the estimated Individual PAGA Settlement Share for every Aggrieved Employee, and shall prepare and email a spreadsheet setting forth those calculations to PAGA Counsel and Defendant's Counsel no fewer than five (5) days before mailing the Individual PAGA Settlement Shares to Aggrieved Employees.

iii. **Mailing of Individual PAGA Settlement Shares.** Within seven (7) business days after receipt of the Aggrieved Employee Data, the Settlement Administrator will mail via first-class regular U.S. Mail the Cover Letter and Individual PAGA Settlement Share to all Aggrieved Employees using the mailing address information provided by Defendant and the results of the search of the National Change of Address Database on all Aggrieved Employees.

iv. **Returned Checks.** If an Individual PAGA Settlement Share is returned because of an incorrect address, within five (5) business days from receipt of the returned check, the Settlement Administrator will conduct a search for a more current address for the Aggrieved Employee and re-mail the Individual PAGA Settlement Share to the Aggrieved Employee. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Aggrieved Employee for whom a Individual PAGA Settlement Share is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail, performing address searches for all mail returned without a forwarding address, and promptly re-mailing to Aggrieved Employees for whom new addresses are found.

v. **Weekly Status Reports.** The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform PAGA Counsel and Defendant's Counsel of the number of checks mailed, the number of checks returned as undeliverable, and the number of checks re-mailed.

D. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Attorneys Fee Award, Cost Award, Administration Costs, and PAGA Representative Enhancement Payment, then the Parties and their respective counsel waive any and all rights to appeal from the Judgment, including all rights to any post-Judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the Judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-Judgment proceeding.

E. **Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing Court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement Agreement, and that Court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher Court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include any alteration of the Gross Settlement Amount, not including an increase pursuant to Paragraph 39.A.

F. **Disbursement of Settlement Shares and Payments.** Subject to the Court approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Approval Order and Judgment. The Settlement Administrator shall keep Defendant's Counsel and PAGA Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendant's Counsel and PAGA Counsel. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff, PAGA Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

   i. **Funding the Settlement:** Defendant shall wire or otherwise provide to the Settlement Administrator the Gross Settlement Amount in the following installments:
      a. **Initial Payment:** No later than thirty (30) calendar days of the Effective Date, Defendant will wire $70,000 of the GSA to the Settlement Administrator ("Initial Payment").
      b. **Installment Payment(s):** The remainder of the GSA shall be paid in nine (9) equal payments of $23,333.33 over the next nine (9) months with the ninth payment as $23,333.36 ("Installment Payment(s)").
      c. Should the Escalator Provision be triggered, the First Payment and Installment Payments will be increased proportionally to the increase of the GSA.
      d. Any failure by Defendant to timely pay the Initial Payment or any Installment Payment shall be an event of default. Within three (3) business days of any default, the Settlement Administrator shall email counsel for both Parties notifying them of any default (the "Default

Notice”). Defendant shall have no more than three (3) business days from the date of the Default Notice to cure the default. Any default that is not cured by the 5th business day from the date of the Default Notice shall entitle Plaintiff to move ex parte to have all remaining unpaid Installment Payment(s) immediately accelerated and judgment entered against Defendant for the remaining unpaid Installment Payment(s).

ii. **Disbursement**: Within seven (7) business days after the full funding of GSA to the Settlement Administrator, the Settlement Administrator shall disburse: (1) the Individual PAGA Settlement Shares to the Aggrieved Employees, as approved by the Court; (2) the Attorneys Fee Award and Cost Award to PAGA Counsel, as approved by the Court; (3) the PAGA Representative Enhancement Payment paid to the PAGA Representative, as approved by the Court; (4) the Administration Costs to itself, as approved by the Court; and (5) the LWDA Payment to the LWDA, as approved by the Court.

iii. **Qualified Settlement Fund or QSF**: The Parties agree that the QSF is intended to be a “Qualified Settlement Fund” under Section 468B of the Code and Treasury Regulations § 1.4168B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and the Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

G. **Settlement Administrator’s Final Report.** Within ten (10) business days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds. The Parties shall file this declaration with the Court. The Settlement Administrator will provide any supplemental declaration required by the Court or the Parties.

H. **Uncashed Checks.** Aggrieved Employees must negotiate, cash, or deposit their Individual PAGA Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them. After the 180-day deadline, the checks will be canceled and any funds associated with such canceled checks shall be transmitted by the Settlement Administrator to the State Controller’s Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of their respective Individual PAGA Payment(s).

I. Defendant's Legal Fees. Defendant is responsible for paying for all of Defendant's own legal fees, costs, and expenses incurred in the Action outside of the Gross Settlement Amount.

45. Release of PAGA Claims. As of the Effective Date and full funding of the Gross Settlement Amount, Aggrieved Employees will release the Released Parties from the Released PAGA Claims. Aggrieved Employees may not opt out of the PAGA Settlement.

46. Plaintiff's Release of Claims and General Release. As of the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, individually and on behalf of his respective spouse, heirs, successors, and assigns, will release the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties, and expenses of any nature whatsoever, from the beginning of time through the date of Plaintiff's signature on this Agreement, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state, or local statute, rule, ordinance, or regulation, including, but not limited to, all claims arising out of, based upon, or relating to his employment with Defendant or the remuneration for, or termination of, such employment The Plaintiff's Release also includes a waiver of California Civil Code section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Plaintiff's Release excludes Plaintiff's existing workers' compensation claim against Defendant and any claims that may not be released as a matter of law.

47. Miscellaneous Terms

A. No Admission of Liability. Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and Plaintiff's and Defendant's willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).

B. No Effect on Employee Benefits. The PAGA Representative Enhancement Payment and/or Individual PAGA Settlement Shares paid to Plaintiff and Aggrieved Employees shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiff or the Aggrieved Employees. The Parties agree that any PAGA Representative Enhancement Payment and/or Individual PAGA Settlement Share paid to Plaintiff or the Aggrieved Employees under the terms of this Agreement do not represent any modification of Plaintiff's or Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any PAGA Representative Enhancement Payment shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

C. Integrated Agreement. After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any Party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.

D. Authorization to Enter Into Settlement Agreement. PAGA Counsel and Defendant's Counsel warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the mediator and/or Court, and in all cases, all such documents, supplemental provisions, and assistance of the mediator and/or Court will be consistent with this Agreement.

E. Exhibits and Headings. The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

F. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the approval hearing to be conducted by the Court.

G. **Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties.

H. **Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.

I. **No Prior Assignment.** The Parties hereby represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged.

J. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

K. **Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.

L. **No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Aggrieved Employees will assume any such tax obligations or consequences that may arise from this Agreement, and that Aggrieved Employees shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Aggrieved Employee, such Aggrieved Employee assumes all responsibility for the payment of such taxes.

M. Jurisdiction of the Court. The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.

N. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable.

O. 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.

P. Execution in Counterpart. This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

Q. Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff: Jonathan M. Genish
jgenish@blackstonepc.com
Miriam L. Schimmel
mschimmel@blackstonepc.com
Joana Fang
jfang@blackstonepc.com
Alexandra Rose
arose@blackstonepc.com
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendant: Eric H. De Wames
edewames@sullivanattorneys.com
Christopher A. Olsen
colsen@sullivanattorneys.com
Michael Sullivan and Associates
6203 San Ignacio Avenue, Suite 110
San Jose, California 95119
Telephone: 408-627-4812

IT IS SO AGREED.

Dated: 20/10/2025

PLAINTIFF JESUS HERRERA

Dated: 16/10/25

DEFENDANT REEVE STORE EQUIPMENT COMPANY

Robert ReeveFrackelton
Robert ReeveFrackelton (Oct 16, 2025 09:24:17 PDT)

Name: Robert ReeveFrackelton
Title: President

Exhibit A

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>><<State>><<Zip>>

Re: Settlement Payment from *Jesus Herrera v. Reeve Store Equipment Company*, Los Angeles County Superior Court Case No. 22STCV04239

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of **<<amount of payment>>** ("Individual PAGA Settlement Share"). This check is your payment from the settlement in the lawsuit entitled *Jesus Herrera v. Reeve Store Equipment Company*, Los Angeles County Superior Court Case No. 22STCV04239 ("Action").

The lawsuit was filed on February 3, 2022, and amended on May 12, 2022, by Jesus Herrera ("Plaintiff") against his former employer Reeve Store Equipment Company ("Defendant"). Plaintiff, on behalf of the State of California, with respect to himself and other alleged aggrieved employees, seeks recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during employment and upon termination, failure to provide compliant wage statements, failure to maintain requisite payroll records, and failure to reimburse business expenses. Prior to initiating the lawsuit, on February 3, 2022, Plaintiff submitted a letter to the California Labor and Workforce Development Agency ("LWDA"), pursuant to PAGA, to provide notice of his intent to seek civil penalties under PAGA for Defendant's alleged violations of the California Labor Code, thereby initiating LWDA Case Number LWDA-CM-866272-22 ("PAGA Notice").

Defendant denies all of Plaintiff's allegations and denies any wrongdoing of any kind associated with Plaintiff's allegations. A settlement was reached between Plaintiff and Defendant.

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period ("Aggrieved Employees"). The period February 3, 2021 through March 28, 2024 is the "PAGA Period."

You are receiving a portion of the settlement (the enclosed Individual PAGA Settlement Share) because you have been identified as an Aggrieved Employee. Your Individual PAGA Settlement Share is based on the total number of workweeks that you worked for Defendant in California during the PAGA Period. The Individual PAGA Settlement Share is considered to be 100% penalties, which will be reported on an IRS Form 1099 (if applicable). You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<Effective Date and full funding of the Gross Settlement Amount>>, the Released Parties were released from the Released PAGA Claims.

> "Released Parties" means Defendant and its past and present officers, directors, attorneys, affiliates, shareholders, predecessors, successors, and/or assigns.
>
> "Released Claims" means any and all claims for civil penalties under the Private Attorneys General Act that were alleged or reasonably could have been alleged based on the facts alleged in the Operative Complaint and PAGA Notice, arising during the PAGA Period, including, but not limited to, 1) Violation of Cal. Labor Code,

sections 510 and 1198 (Unpaid Overtime); 2) Violation of Cal. Labor Code, sections 226.7 and 512(a) (Unpaid Meal Period Premiums); 3) Violation of Cal. Labor Code, section 226.7 (Unpaid Rest Period Premiums); 4) Violation of Cal. Labor Code, sections 1194, 1197, and 1197.1 (Unpaid Minimum Wages); 5) Violation of Cal. Labor Code, sections 201, 202, 203, and 204 (Wages Not Timely Paid During Employment or Upon Termination); 6) Violation of Cal. Labor Code, section 226(a) (Failure to Provide Accurate Wage Statements); 7) Violation of Cal. Labor Code, section 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); 8) Violation of Cal. Labor Code, section 1174(d) (Failure to Maintain Accurate Records); and 9) Violation of Cal. Labor Code, section 2699 (Private Attorneys General Act.)

The enclosed check is valid for 180 calendar days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller's Office Unclaimed Property Division in your name and in the amount of your Individual PAGA Payment.

Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant's counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [Settlement Administrator] at [toll-free phone number].