

MEMORANDUM OF AGREEMENT

1. **Background.** This Memorandum of Agreement (“Memorandum”) is entered into by the parties to the civil actions entitled *Martinez v. L’Oreal USA S/D, Inc. et al.*, Los Angeles Superior Court Case No. BC 674505, *Horton v. Socket Payment Services, et.al.*, San Diego Superior Court Case No. 37-2016-00004529-CU-OE-CTL and *Virissimo v. L’Oreal USA Products, Inc., et al.* San Diego Superior Court Case No. 37-2017-00015284-CU-OE-CTL. The parties intend the settlement agreement described herein to be fully enforceable by the Court upon motion of any party, and pledge their good faith and fair dealing in providing assent to a final, more detailed settlement agreement.

2. **The Martinez Settlement Class.** The parties acknowledge that Plaintiff Martinez and her counsel has entered into a class action settlement agreement which provides a release of claims for all individuals defined as follows:

- a. “AllWork Subclass” refers to individuals who received a wage statement from AllWork or its predecessor Socket Payment Services, LLC (“Socket”), at any time between February 5, 2012 up to and including the date of preliminary approval of this settlement but performed work for an AllWork or Socket client other than Pacific Bioscience Laboratories, Inc. (“PBL”). Notwithstanding any other provision of this settlement, however, the AllWork Subclass shall not include any individual who has previously executed a general release of claims against the Settling Parties or who has a civil action for wage claims pending against them.
- b. “L’Oreal Subclass” refers to an individual who performed services relating to L’Oreal USA, Inc. (“L’Oreal USA”) and affiliated entities, including but not limited to PBL, and received a wage statement from AllWork, LLC or its predecessor Socket at any time between February 5, 2012 up to and including the date of preliminary approval of this settlement. Notwithstanding any other provision of this settlement, however, the L’Oreal Subclass shall not include any individual who has previously executed a general release of claims against the Settling Parties or who has a civil action for wage claims pending against them.

3. The claims which were brought by Plaintiff Martinez on behalf of the class overlap with the claims alleged by Plaintiffs Horton and Virissimo in their respective lawsuits. Plaintiffs Horton and Virissimo were excluded from the *Martinez* class action settlement, which was originally submitted for approval on January 31, 2018.

4. Plaintiffs Horton and Virissimo have filed a motion to intervene into the *Martinez* class action for purposes of challenging the settlement and the Defendants oppose this motion. The Defendants contend that the intervention motion is untimely and improper for various other independent reasons. Plaintiffs Horton and Virissimo believe that, in the absence of final resolution via settlement, each of these cases should be coordinated and/or consolidated and that their first-filed cases would be entitled to preference as the low-number cases, among other things.

5. **Dismissal of Claims.** In exchange for the consideration outlined herein, Horton and Virrisimo agree to request dismissal of their cases without prejudice to the class and with prejudice as to their individual claims, and execute the general releases of Socket, AllWork, Matt Wenzler, Sharyn Rinali, Scott Gurfein, PBL, and L'Oreal and related companies, including but not limited to L'Oreal USA Products, Inc. and L'Oreal USA S/D, Inc. as set forth below in Section 12 of this Agreement. These covenants in this MOA are contingent on the Courts approving those requests for dismissal. In return, in each of the Horton and Virissimo cases, L'Oreal shall pay Forty One Thousand Two Hundred and Fifty Dollars and Eight Cents (\$41,250.08) and Socket shall pay Five Thousand Dollars (\$5,000) payable to Thomas D. Rutledge for fees and costs of suit which shall issue with appropriate IRS Form 1099s to Rutledge and Horton or Virissimo; and L'Oreal shall pay Forty Six Thousand Two Hundred and Fifty Dollars and Eight Cents (\$46,250.08) to ShortLegal, APC for fees and costs of suit which shall issue with appropriate IRS Form 1099s to ShortLegal, APC and Horton or Virrisimo. L'Oreal also agrees to pay a \$6,500 payment to each Virissimo and Horton which shall separately compensate them for the anticipated class representative award sought by Martinez. These payments to Horton and Virissimo shall be allocated to penalties and interest and shall issue with an IRS Form 1099. Defendants shall pay the Resolution Amount in each case gross amounts with no deductions no later than ten (10) business days after the dismissal of each case.

6. **Proposed Inclusion of Plaintiffs Horton and Virissimo.** In order to avoid the added costs of continued litigation, the parties have agreed to include Plaintiffs Horton and Virissimo within the class definition as unnamed class members in the *Martinez* class settlement. Plaintiffs Horton and Virissimo will each receive their pro-rata share of the Net Settlement Fund. In exchange for receiving the consideration in paragraph 5 and 6, Plaintiffs Horton and Virissimo have agreed to take their motion to intervene off-calendar¹ and have further agreed to file an application for the immediate dismissal of their respective lawsuits on or before the date scheduled for preliminary approval of the *Martinez* settlement.

7. **Class Counsel.** The parties agree that Brian Van Vleck of the Van Vleck Law Firm LLP will act as Class Counsel in the Martinez action.

8. **Qualified Stipulation to Class Certification.** The Martinez parties stipulate to class certification for purposes of settlement only. Defendants contend that the facts do not justify class certification under the governing legal standards. The trial court has not ruled on class certification in the underlying litigation. Consequently, a "Settlement Class" has been established for purposes of administration and resolution of this matter only. It is not, and it should not be construed as, any admission of fact or law in this matter or any other matter that class certification is appropriate. .

9. **No Objections to the Martinez Settlement.** The Horton and Virissimo parties, and their counsel, agree they will not file, encourage or support objections to the Martinez

¹ The parties acknowledge that Plaintiffs Horton and Virissimo have jointly filed their motion with putative class member Salvado Velez. Messrs. Short and Rutledge have represented that Mr. Velez will similarly take his motion off calendar in exchange for Defendants' agreement not to exclude him from the *Martinez* class action settlement.

settlement. The Horton and Virissimo parties, and their counsel, agree to work together in good faith to support the approval of the Martinez settlement by providing the court with any and all information it reasonably needs to support settlement approval.

10. **Martinez Approval Attorney's Fees and Costs.** The parties agree that the Martinez Settlement shall be lowered by the sum of \$93,333.33 in an amendment (taken from the expected L'Oreal contribution), reflecting a portion of the fees and costs paid to Rutledge and ShortLegal. Mr. Van Vleck will receive one hundred percent (100%) of the court approved attorneys' fees in Martinez up to One Hundred Forty Thousand Dollars (\$140,000.00). The existence of the terms of this agreement, including the previous litigation efforts of ShortLegal and Thomas Rutledge, which they believe served as a catalyst for the Martinez settlement may be disclosed in the preliminary approval motion. The existence of the fee sharing agreement and circumstances of the global settlement may also be included in the Martinez motion for final approval and award of fees. ShortLegal and Thomas Rutledge agree that, to the extent reasonably necessary to support the Martinez settlement, they will provide declarations in support of their experience, work performed, and lodestar incurred in the litigation of Horton, Virissimo, and in seeking intervention in the Martinez action. The Defendants will not oppose the request for attorneys' fees. Attorney's fees and costs will be paid to Mr. Van Vleck out of the Gross Fund Value as defined in the long form agreement.

11. **Incentive Award.** Putative Class Counsel will request that the Court approve an incentive award in the amount of six thousand five hundred dollars (\$6,500.00) for distribution to Plaintiff Martinez as the named class representative. None of the parties to this agreement will oppose this request. The Incentive Award will be paid out of the Gross Fund Value as defined in the long form agreement.

12. **Complete General Release of Claims by Named Plaintiffs.** Upon inclusion of Plaintiffs Horton and Virissimo as unnamed class members to the Martinez class action settlement, Plaintiffs Horton and Plaintiff Virissimo do hereby – for themselves and for their heirs, representatives, attorneys, executors, administrators, successors, and assigns – release, acquit, remise, and forever discharge Socket, AllWork, Matt Wenzler, Sharyn Rinali, Scott Gurfein, PBL, and L'Oreal and related companies, including but not limited to L'Oreal USA Products, Inc. and L'Oreal USA S/D, Inc, ("Released Parties") and all managers, officers, agents, parents, and subsidiaries, and related companies thereof, from any and all actions, causes of action, obligations, costs, expenses, damages, losses, claims, liabilities, suits, debts, demands, and benefits (including attorneys' fees and costs), of whatever character, in law or in equity, known or unknown, suspected or unsuspected, matured or unmatured, of any kind or nature whatsoever, now existing or arising in the future, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution hereof, including but not limited to any claims or causes of action arising out of or in any way relating to their employment except that they do not waive their rights to participate as unnamed class members in Martinez and to release in that case any claims raised in that case. This release of claims includes, but is not limited to, claims for unpaid wages; claims for breach of any implied or express contract or covenant; claims for promissory estoppel; claims of entitlement to any pay, including commissions; claims of wrongful denial of insurance and employee benefits; claims for wrongful termination, public policy violations, defamation, invasion of privacy, assault and battery, negligent supervision, fraud, misrepresentation, emotional distress or other common law

or tort matters; claims of harassment, retaliation or discrimination based on sexual orientation, age, race, color, religion, sex, national origin, ancestry, physical or mental disability, medical condition, marital status; claims under California Labor and Government Codes; claims based on the Private Attorneys General Act or Section 17200; claims based upon the California Constitution; claims based on any IWC Wage Order; claims based on any federal, state or other governmental statute, regulation or ordinance, including, without limitation, HIPPA, the California Confidentiality of Medical Information Act, the California Fair Employment & Housing Act, the Age Discrimination in Employment Act, Title VII of the Civil Rights Act, as amended, the Americans with Disabilities Act, the Labor Management Relations Act, and the Employee Retirement Income Security Act. Plaintiffs Virissimo and Horton each expressly waives, as to the Released Claims any and all provisions, rights and benefits conferred by any law or principle of common law or equity, that is similar, comparable, or equivalent, in whole or in part, to California Civil Code § 1542:

Full Waiver of California Civil Code Section 1542. For the purpose of implementing a full and complete release, Plaintiff expressly acknowledges that the release given in this Agreement is intended to include in its effect, without limitation, claims that each did not know or suspect to exist in his favor at the time of the effective date of this Agreement, regardless of whether the knowledge of such claims, or the facts upon which they might be based, would materially have affected the settlement of this matter, and that the consideration given under the Agreement was also for the release of those claims and contemplates the extinguishment of any such unknown claims. Plaintiff expressly waives the provisions of section 1542 of the Civil Code of California (and all similar laws of other jurisdictions), which provides:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him must have materially affected his or her settlement with the debtor.”

As mentioned above, Plaintiffs Horton and Virissimo agree, to the extent permissible by law, they will not object or opt-out of the Martinez Settlement, nor will they file separate lawsuits if the Martinez case settlement is not approved, but rather will continue as unnamed class members in that case.

13. **Covenant not to Sue.** Plaintiffs Horton and Virissimo each represent that she has not filed any action, lawsuit, claim, charge, proceedings or complaint against the Released Parties other than their lawsuits released above. Each Plaintiff further covenants that she will not file any lawsuits, complaints, or charges in any state or federal court or any proceedings before any local, state, or federal agency, except as required by law, claiming that any Released Party has violated any law, including, but not limited to, any claims that have been made or that could have been made in the Lawsuit, based upon events or omissions occurring in whole or in part prior to the date of execution of this Agreement.

14. No Rehire. Plaintiffs Horton and Virissimo each agree that she will never seek directly or indirectly employment with any Released Party or affiliated entity, and any Released Party may refuse to employ her, or terminate her, for any or no reason, without liability.

15. No Admission. Neither this Memorandum, nor final form of settlement, will constitute an admission on behalf of Defendant of any form of liability or the accuracy of any fact or allegation against them. Defendants specifically deny any liability. This Memorandum memorializes the compromise of disputed claims. The Parties intend, by this Agreement, merely to avoid the expense, delay, disruption to business, and burden of litigation, and this Agreement shall not be admissible in any proceeding for any purpose other than to enforce its terms, unless otherwise required by law.

16. Advice of Counsel. The parties to this Memorandum are represented by competent counsel, and they have had an opportunity to consult with counsel. The parties to this Memorandum agree that it reflects their good faith compromise of the claims raised in this action, based upon their assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel.

17. Counterparts. This Memorandum of Understanding may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Memorandum of Understanding, which shall be binding upon and effective as to all Parties.

18. Governing Law. The parties each agree that the terms of this Memorandum shall be construed and enforced in accordance with the laws of the State of California.

19. Integration Clause. The parties to this Memorandum agree that the formal settlement agreement will contain an integration clause.

Dated: May __, 2018

By: _____
Sunshine Martinez
Plaintiff

Dated: May __, 2018

By: _____
Brian Van Vleck,
The Van Vleck Law Firm, LLP
Counsel for Plaintiff Sunshine Martinez

Dated: May __, 2018

By: _____
Candle Horton
Plaintiff

Dated: May __, 2018

By: _____
Mardelia Virissimo

Plaintiff

Dated: May ___, 2018

By: _____
Brian R. Short,
Short Legal, APC
Counsel for Plaintiffs Horton and Virissimo

Dated: May ___, 2018

By: _____
Thomas D. Rutledge,
Law Office of Thomas D. Rutledge
Counsel for Plaintiffs Horton and Virissimo

Dated: May ___, 2018

By: _____
Matt Wenzler
Defendant
Co-Founder and President
On behalf of Socket Payment Services/Allwork
LLC

Dated: May ___, 2018

By: _____
Scott Gurfein
Defendant

Dated: May ___, 2018

By: _____
Sharyn Rinaldi
Defendant

Dated: May ___, 2018

By: _____
Laura Reathaford
Blank Rome LLP
Counsel for Defendant Socket Payment
Services/Allwork LLC

Dated: May ___, 2018

By: _____
Daniel P. Hoffer
Venable LLP
Counsel for Defendant Socket Payment
Services/Allwork LLC

Dated: May ___, 2018

By: _____
Christian Rowley
Seyfarth Shaw LLP
Counsel for Defendant L'Oreal USA Products

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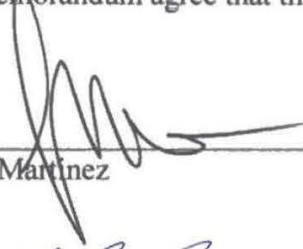
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Dated: May 10, 2018

By: 
Sunshine Martinez
Plaintiff

Dated: May __, 2018

By: 
Brian Van Vleck,
The Van Vleck Law Firm, LLP
Counsel for Plaintiff Sunshine Martinez

Dated: May __, 2018

By: _____
Candle Horton
Plaintiff

Dated: May __, 2018

By: _____
Mardelia Virissimo
Plaintiff

Dated: May __, 2018

By: _____
Brian R. Short,

14. **No Rehire.** Plaintiffs Horton and Virissimo each agree that she will never seek directly or indirectly employment with any Released Party or affiliated entity, and any Released Party may refuse to employ her, or terminate her, for any or no reason, without liability.

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Dated: May ___, 2018

By: _____
Sunshine Martinez
Plaintiff

Dated: May ___, 2018

By: _____
Brian Van Vleck,
The Van Vleck Law Firm, LLP
Counsel for Plaintiff Sunshine Martinez

Dated: May 10, 2018

By: Candle Horton
Candle Horton
Plaintiff

Dated: May ___, 2018

By: _____
Mardelia Virissimo

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By: _____
Sunshine Martinez
Plaintiff

Dated: May __, 2018

By: _____
Brian Van Vleck,
The Van Vleck Law Firm, LLP
Counsel for Plaintiff Sunshine Martinez

Dated: May __, 2018

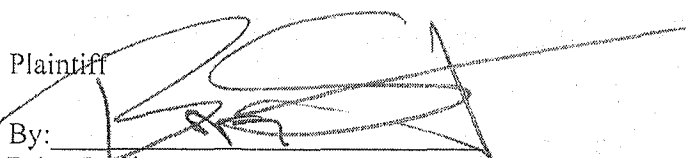
By: _____
Candle Horton
Plaintiff

Dated: May 10, 2018

By: Mardelia Virissimo
Mardelia Virissimo

Dated: May 10, 2018

Plaintiff

By: 

Brian R. Short,
Short Legal. APC
Counsel for Plaintiffs Horton and Virissimo

Dated: May 16, 2018

By: 

Thomas D. Rutledge,
Law Office of Thomas D. Rutledge
Counsel for Plaintiffs Horton and Virissimo

Dated: May ___, 2018

By: _____

Matt Wenzler
Defendant
Co-Founder and President
On behalf of Socket Payment Services/Allwork
LLC

Dated: May ___, 2018

By: _____

Scott Gurfein
Defendant

Dated: May ___, 2018

By: _____

Sharyn Rinaldi
Defendant

Dated: May ___, 2018

By: _____

Laura Reatha Ford
Blank Rome LLP
Counsel for Defendant Socket Payment
Services/Allwork LLC

Dated: May ___, 2018

By: _____

Daniel P. Hoffer
Venable LLP
Counsel for Defendant Socket Payment
Services/Allwork LLC

Dated: May ___, 2018

By: _____

Christian Rowley
Seyfarth Shaw LLP
Counsel for Defendant L'Oreal USA Products

Plaintiff

Dated: May ___, 2018

By: _____
Brian R. Short,
Short Legal, APC
Counsel for Plaintiffs Horton and Virissimo

Dated: May ___, 2018

By: _____
Thomas D. Rutledge,
Law Office of Thomas D. Rutledge
Counsel for Plaintiffs Horton and Virissimo

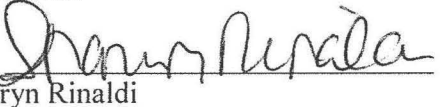
Dated: May 10, 2018

By: 
Matt Wenzler
Defendant
Co-Founder and President
On behalf of Socket Payment Services/Allwork
LLC

Dated: May 10, 2018

By: 
Scott Gurfein
Defendant

Dated: May 10, 2018

By: 
Sharyn Rinaldi
Defendant

Dated: May ___, 2018

By: _____
Laura Reathaford
Blank Rome LLP
Counsel for Defendant Socket Payment
Services/Allwork LLC

Dated: May ___, 2018

By: _____
Daniel P. Hoffer
Venable LLP
Counsel for Defendant Socket Payment
Services/Allwork LLC

Dated: May ___, 2018

By: _____
Christian Rowley
Seyfarth Shaw LLP
Counsel for Defendant L'Oreal USA Products

Plaintiff

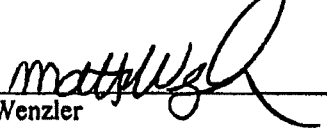
Dated: May __, 2018

By: _____
Brian R. Short,
Short Legal, APC
Counsel for Plaintiffs Horton and Virissimo

Dated: May __, 2018

By: _____
Thomas D. Rutledge,
Law Office of Thomas D. Rutledge
Counsel for Plaintiffs Horton and Virissimo

Dated: May 10, 2018

By: 
Matt Wenzler
Defendant
Co-Founder and President
On behalf of Socket Payment Services/Allwork
LLC

Dated: May __, 2018

By: _____
Scott Gurfein
Defendant

Dated: May 10, 2018

By: 
Sharyn Rinaldi
Defendant

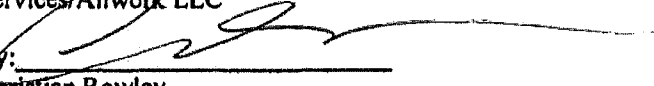
Dated: May 11, 2018

By: 
Laura Rasmussen
Blank Rome LLP
Counsel for Defendant Socket Payment
Services/Allwork LLC

Dated: May 11, 2018

By: 
Daniel P. Hoffer
Venable LLP
Counsel for Defendant Socket Payment
Services/Allwork LLC

Dated: May 11, 2018

By: 
Christian Rowley
Seyfarth Shaw LLP
Counsel for Defendant L'Oreal USA Products

Dated: May 14, 2019

By: 
Vita Giordano
Vice President, Human Resources
L'Oréal Luxe, a Division of
L'Oreal USA, Inc.