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AUGUSTINE BARRY, ON BEHALF OF HIMSELF,
AND ALL OTHERS SIMILARLY SITUATED

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF ALAMEDA

AUGUSTINE BARRY, an individual, on
behalf of himself, and all others similarly
situated;

Plaintiff,

vs.

PARETO INC. d/b/a PARETO AI., a Delaware
corporation; PHOEBE YAO, an individual, and
DOES 1 through 50, inclusive;

Defendants.

Consolidated Case No. 25CV117381 (Lead Case)

Non-Lead Case No. 25CV117467

[Assigned for all purposes to the Honorable Patrick
McKinney, Dept. 18]

**DECLARATION OF DANIEL VALLES IN
SUPPORT OF MOTION FOR PRELIMINARY
APPROVAL OF CLASS AND PAGA ACTION
SETTLEMENT**

Date: October 28, 2026

Time: 1:30 p.m.

Dept.: 18

RESERVATION ID: 240007730588

Complaint filed: April 1, 2025

Trial Date: Not Assigned

DECLARATION OF DANIEL VALLES

I, Daniel Valles, declare as follows:

1. I am an attorney at law duly licensed to practice before all the courts of the States of California. I am a partner of Valles Law, P.C., the attorneys of record for Plaintiff Augustine Barry (“**Plaintiff**”) and the Class in the above-entitled case. Through my participation in this action, I have personal knowledge of the facts stated in this Declaration, and if called upon to do so, could and would competently testify thereto.

2. This declaration is submitted in support of Plaintiff’s motion for preliminary approval of a class action settlement in the above-captioned case.

3. I have been actively engaged in this litigation from its inception. I have diligently litigated this case and will continue to do so. I have engaged in discovery, attended mediation, and am of the opinion that the Settlement for the Court’s consideration and on the terms set forth is fair, reasonable, and adequate and is in the best interests of the Class and Defendants Pareto Inc. d/b/a Pareto AI and Phoebe Yao (“**Defendants**” or “**Pareto**”) in light of all known circumstances and the expenses and risks inherent in litigation.

4. I became licensed to practice law in California on March 3, 2010. I became a member of the District of Columbia on November 4, 2011, and the Massachusetts Bar on June 21, 2010. I am a member in good standing of all three (3) bars with no disciplinary record.

5. I formed Valles Law in 2019, a law firm with its principal office in Manhattan Beach, California. Prior to forming Valles Law, I spent my career working for three (3) different law firms, Baker McKenzie, Nixon Peabody, LLP and Lewis Brisbois Bisgaard and Smith, LLP, with two (2) of the foregoing being international law firms.

6. During my time at those law firms, I handled the defense of numerous employment law cases, including wage and hour class actions and single-plaintiff discrimination, harassment, and retaliation cases.

7. Overall, I have over sixteen (16) years of experience litigating employment law cases, including wage and hour class actions and single-plaintiff discrimination, harassment, and retaliation cases.

1 8. I have extensive experience handling complex employment litigation, including
2 representative actions and class claims in both California State and Federal court. I have also handled
3 numerous claims arising under California's wage/hour laws before the California Labor Commissioner
4 and in the courts. I also advise employers how to handle employment-related disputes, including potential
5 wage and hour violations.

6 9. I, along with Ms. Kayla Rathjen, have been approved as class counsel in the matter entitled
7 *Keller v ATvantage LLC D/B/A ATvantage Athletic Training*, California Superior Court for the County of
8 San Diego, Case No. 37-2022-00049697-CU-OE-CTL, in the Northern District of California in the matter
9 entitled *Seibert v SS&C Technologies, Inc.*, Case No. 4:23-cv-00279-DMR and *Reece v. Walker*,
10 California Superior Court for the County of San Francisco, Case No. CGC-22-602550. All of these
11 matters were misclassification cases that involved wage and hour class issues.

12 10. Moreover, I have also worked as defense counsel in several PAGA and employment class
13 action matters, including, but not limited to, in the matter of *J. Burkett, et al vs Catholic Charities of Santa*
14 *Clara County*, California Superior Court for the County of Santa Clara, Case No. 2010-1-CV-187176, and
15 *Kenia Beltran Morales v Invapharm, Inc.*, California Superior Court for the County of Los Angeles, Case
16 No. 24STCV27498.

17 11. Valles Law handles employment cases on a contingency basis. My firm is retained in this
18 matter on a full contingent basis. Contingency work, such as this case, is risky because our firm is only
19 paid if the case settles, or if our firm prevails at trial or arbitration. Although we try to do a good job in
20 choosing our cases, sometimes, despite best efforts, we are not successful. Sometimes the evidence does
21 not come in as anticipated, or there is surprise evidence, and the net result is that we lose, or settle for a
22 lot less than anticipated. We sometimes devote hundreds of hours to plaintiffs' employment cases and are
23 paid nothing. The risk increases if we advance costs, which we frequently do, because our clients have
24 lost their jobs or are financially unable to advance or the pay the costs of litigation. In addition, the risk
25 is generally higher in employment cases because of the number of depositions and law and motion
26 typically involved in prosecuting these cases. The defense will usually file a motion for summary
27 judgment. In addition, frequently, there will not be insurance.

The Subject Settlement

12. During the time prior to the filing of this action and after the settlement was reached, I, as well as Kayla Rathjen, spent time meeting with our client and witnesses in this case and gathering evidence to use against Defendants.

13. I personally spent an extensive amount of time with Plaintiff discussing the case and Plaintiff was able to provide detailed information in support of the claims, including documents and witness information to support our investigation. Additionally, I interviewed over ten (10) of Defendants' former employees in order to investigate and confirm Plaintiff's account of the working conditions as well as confirm that Defendants were not complying with California's wage laws and to obtain information relevant to the matter. The information obtained from the current and former employees (including Plaintiff) was used to evaluate Defendants' liability. This included, but is not limited to, analyzing information and data about compensation and commissions, reimbursement history, pay practices, job duties, incurred expenses, employee's typical days, breaks, and other issues.

14. Additionally, with Plaintiff as well as with the current and former employees, I, and Ms. Rathjen, inquired about (as well as examined all supporting documentation regarding) their total hours worked both in a day and week for purposes of average overtime calculation, number of days worked per week, whether or not meal and rest periods were provided and taken (including the total duration of meal periods and whether such periods were interrupted by work), the nature of work performed, whether or not the potential class met the ABC test for employee status as opposed to independent contractor status, the business use of potential class members' personal cell phones and home internet (as well as other potential expenses), and other potential wage and hour issues, which formed the basis for the causes of action that are alleged not only in the Complaint, but also in Plaintiff's LWDA filing.

15. I, and Ms. Rathjen, poured over and analyzed pay data from paystubs and other sources (including interviews with current and former employees regarding their wages, hours worked, etc.) as well as extrapolating out and calculating potential violation rates as well as potential damages. Additionally, we reviewed hundreds of pages of documents produced by Defendants as well as relevant policy documents produced by Plaintiff, Defendants, and current and former employees.

16. I personally considered and reviewed every page produced by Plaintiff, Defendants and the

1 current and former employees, which took a substantial number of hours. I conducted a detailed analysis
2 of the sample records produced by Defendants, as well as used those provided by Plaintiff and the current
3 and former employees, to establish a violation rate and damages model for the Class Period and the PAGA
4 Period.

5 17. I worked on every pleading, brief, and status report filed with the Court and served upon
6 opposing counsel in this case. I was also involved in the analysis and case evaluation, which led to the
7 settlement.

8 18. In the interest of pursuing early resolution, Plaintiff and Defendants agreed to exchange
9 information informally, stay formal discovery, and privately mediate the matter. Prior to the mediation,
10 the Parties exchanged extensive class data, information, and documents concerning Plaintiff's allegations,
11 including production of time and payroll records, wage statements and other various data for the Class
12 Members. Our office took all of the class data provided by Defendants and analyzed it and cross-
13 referenced it with Plaintiff's data as well as extrapolations from our own previous investigation and
14 discussions with current and former employees. Using this information, I conducted an extensive
15 secondary analysis based on the class data to calculate the overall potential liability, chances of success,
16 and recovery for the potential Class and Aggrieved Individuals.

17 19. Prior to mediation, I, along with Ms. Rathjen, also conducted extensive research into
18 Defendants' asserted defenses, including conducting extensive legal research into the nuanced issues
19 raised by Defense counsel as well as conducting jury verdict research to be able to appropriately calculate
20 a reasonable settlement value for this case. I, along with Ms. Rathjen, also spent significant time drafting
21 a mediation brief, class analysis and preparing for mediation. Ms. Rathjen and I also researched recent
22 developments into PAGA and class litigation to evaluate potential risks at trial and to have an informed
23 view of not only the strengths and weakness of Plaintiff's case and potential recovery, but also Defendants'
24 defenses.

25 20. On June 29, 2026, the Parties participated in a mediation session before mediator Shirish
26 Gupta, an experienced class action litigation mediator. Mr. Gupta actively assisted the Parties in
27 settlement discussions, which enabled the Parties to reach the Settlement. The Settlement was reached
28 after extensive informal discovery as well as extensive negotiations conducted through mediation and

1 through telephonic discussions between the Parties' counsel that lasted for weeks after the initial
2 mediation on June 29, 2026. The Parties finalized their Memorandum of Understanding on August 25,
3 2026. The Parties extensive discussions and negotiations then continued with the drafting of the initial
4 Settlement Agreement, which was ultimately not finalized until September 30, 2026.

5 21. I, along with Michiko Vartanian, negotiated the terms of the settlement with defense
6 counsel. Ms. Vartanian and I worked with defense counsel to revise and finalize the agreement, and I,
7 along with Ms. Vartanian, drafted the instant Motion for Preliminary Approval.

8 22. The final settlement that was reached between the Parties was and is within the range of
9 recoveries that we anticipated based on the current state of the law, the fact Defendants aggressively
10 disputed liability, and Defendants' policies and practices.

11 23. I, along with Ms. Rathjen and Ms. Vartanian, have performed a thorough study of
12 California Wage and Employment Law and the facts relating to the wage claims asserted by the Plaintiff
13 in this case. I have concluded, based upon my (as well as our law firm's) investigation and work in this
14 case, and taking into account the sharply contested issues involved, the expense and time necessary to
15 pursue the action through trial, the risks and costs for the prosecution of the case, the uncertainties of
16 complex litigation as well as class certification, and the benefits to be received by Plaintiff and the Class,
17 that the settlement on a class wide basis with Defendants on the terms set forth in the exhibits attached
18 hereto, is fair, reasonable, adequate, and in the best interests of the settlement class, including Plaintiff.
19 The Parties were well versed in the law and evidence in support of their claims at the time of the mediation.
20 In recommending the settlement, I was concerned not only about the potential risks as articulated above,
21 but also the risk that a substantial verdict or judgment would have resulted in an appeal, thereby delaying
22 and complicating the final disposition in this case. Although Plaintiff and our law firm believed we would
23 prevail on the merits and at certification, Defendants' settlement offer represented an excellent opportunity
24 to provide a substantial recovery in the near future to a class, while eliminating any and all concerns about
25 uncertainty in the law and a possible change in California substantive law or procedural rules, risk of not
26 obtaining certification on any of the claims, risk of losing at summary judgment or on the merits at trial,
27 and risk of delays and losing on appeal.

28 24. Attached hereto as **Exhibit A** is a true and correct copy of the fully executed CLASS

ACTION AND PAGA SETTLEMENT AGREEMENT (the “**Settlement Agreement**”). Attached as **Exhibit B** is a true and correct copy of the Notice of Proposed Class Action Settlement (“**Class Notice**”).¹

25. Under the terms of the Settlement Agreement, the Parties have agreed that all class action claims brought on behalf of the putative class members who worked for Defendant in the State of California at any time from January 6, 2021, through May 4, 2025, shall be fully and finally resolved for a total settlement amount of \$550,000.00 (“**Gross Settlement Amount**”). The GSA is in full satisfaction of all Released Claims by the Settlement Class, who do not exclude themselves, and PAGA Settlement Group arising from the action, which includes all Individual Settlement Payments to Class Members, Attorneys’ Fees and Costs to Class Counsel, the Class/PAGA Representative Enhancement Payment to Plaintiff, the Labor and Workforce Development Agency (“**LWDA**”) Payment, and Settlement Administration Costs to the Settlement Administrator (note: for ease of reference and to conserve space, all capitalized terms herein and in this declaration that are not otherwise defined herein have the same meaning as they do in the attached Settlement Agreement). In no event will Defendants be liable for more than the GSA excepted as stated in the Settlement Agreement.

26. The GSA specifically includes the employee’s portion of payroll taxes, but specifically excludes the employer’s portion of payroll taxes on all wage allocation, which shall be paid separately by Defendants in addition to the GSA.

27. Of the GSA, Twenty Thousand Dollars and Zero Cents (\$20,000.00) will constitute the PAGA Settlement Amount and be remitted in consideration for the resolution of the aggrieved employees’ claims arising under PAGA during the PAGA Period. The PAGA Settlement Amount is allocated as follows: 65% allocated to the LWDA as a PAGA payment, which is Thirteen Thousand Dollars and Zero Cents (\$13,000.00), with the remaining 35% (\$7,000.00) distributed to the PAGA Settlement Group Employees per PAGA.

28. From the GSA, the Settlement Agreement calls for the following deductions to be made

¹ The proposed notice follows is from the “Notice Project” (<https://noticeproject.org/>), which has been recommended by California federal and state courts (as well as federal and state courts around the country) as a template to use for easier to understand class action notices. In fact, the notices have regularly been approved in state and federal courts (for a list, please see <https://noticeproject.org/case-list>). Moreover, this notice was also approved in our last class action matter in the Northern District of California entitled *Seibert v SS&C Technologies, Inc.*, Case No. 4:23-cv-00279-DMR, and the Notice Project (along with this specific format) was expressly requested by the judge in that case so that the notice would be easier to understand and read for class members.

with the resulting number being a Net Settlement Amount of at least \$301,666.67 that will be made available to approximate Class Members who do not opt out of the Settlement (“**Participating Class Members**”), as follows:

- \$183,333.33 to Class Counsel for attorneys’ fees;
- Up to \$25,000.00 to Class Counsel for litigation costs and expenses; however, our office anticipates that actual fees incurred will be less than that number as we have incurred, to date, just under \$19,000 in Attorneys’ Costs; however, Plaintiff has requested \$25,000 in case any unexpected circumstances arise that may necessitate additional costs and expenses (any unused portion will be reincorporated into the NSA);
- \$15,000 total to Plaintiff as a Service Award for his time and effort as the Class Representative;
- Up to \$11,350.00 to the Settlement for settlement administration costs expenses; however, the Settlement presently estimates that the cost will be \$6,990 assuming the class size does not change, or any other unexpected complications arise as a result. Plaintiff has requested \$11,350 in case any unexpected circumstances arise (any unused portion will be reincorporated into the NSA); and
- \$20,000.00 (65% allocated to the LWDA as a PAGA payment [i.e., \$13,000.00] and 35% allocated to the PAGA Settlement Group [i.e., \$7,000.00]).

29. The Settlement Agreement should be approved in light of the governing California appellate decision: *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116 (2008).

30. According to *Kullar*, when deciding whether a class action settlement is fair, adequate and reasonable, a court can consider several recognized factors that are set forth in cases like *Dunk v. Ford Motors Co.*, 48 Cal.App.4th 1794, 1801 (1996). Those factors that a trial may consider during the approval process include (1) the extent of discovery completed and the stage of the proceedings; (2) the strength of plaintiff’s case in light of the settlement amount; (3) the risk, expense, complexity, and likely duration of further litigation, as well as the risk of maintaining class action status through trial; (4) the experience and views of counsel; and (5) the reaction of class members to the proposed settlement. (*See Dunk*, 48 Cal.App.4th at 802.)

1 31. As noted above, before filing this lawsuit, I, along with Ms. Rathjen, investigated and
2 researched the facts and circumstances underlying the pertinent issues and applicable law. This required
3 thorough discussions and interviews with Plaintiff as well as over ten (10) current and former employees,
4 and research into the various legal issues involved in the case, namely, the current state of the law as it
5 applied to various defenses, and wage and hour law as well as the unique issues relating to the Defendants'
6 business model of worker classification and assignment of duties. I, along with Ms. Rathjen, also engaged
7 in extensive factual investigation into the organization and operations of Defendants. I ultimately
8 determined that Plaintiff's claims were well suited for class action adjudication owing to what appeared
9 to be a common course of conduct affecting a similarly situated group of employees.

10 32. I, along with Ms. Rathjen, have actively litigated the case since the filing of the complaint
11 on April 1, 2025. We have conducted investigations into the facts of the case; speaking with over ten (10)
12 current and former employees regarding their job experiences at Defendants' business and Defendants'
13 business operations; had extensive discussions and meetings with Plaintiff regarding his job experience
14 and Defendants' business operations as well as cross checking all information received with Plaintiff;
15 engaging in extensive informal discovery and meeting and conferring with defense counsel; analyzing the
16 data and records produced by Defendants as well as those provided by Plaintiff and Defendants' current
17 and former employees; and conducting an extensive review of hundreds of pages of documents provided
18 by Defendants, Plaintiff and Defendants' current and former employees. I, along with Ms. Rathjen,
19 reviewed and analyzed extensive records, documentation, and other pertinent information that we
20 received. We both scrutinized and analyzed the documents to determine Defendants' degree of liability
21 and amounts due in damages. From these documents and discussions with defense counsel as well as with
22 Plaintiff and Defendants' current and former employees, we were able to determine, among other things,
23 the total number of Class Members during the applicable class period of 202 California employees that
24 are Class Members (representing 1,929 Workweeks). We were also able to determine the average rate of
25 compensation for Settlement Class Members was \$44.85 per hour. This information enabled me to run
26 damage models based on the analyzed data in light of countervailing interpretations of California law.
27 This is in stark contrast with Kullar, where it is unclear whether that plaintiff had even so much as reviewed
28 any documents. (*Kullar, supra*, 168 Cal.App.4th at 129.)

1 33. I also closely followed the case law relating to the claims in this action, as well as the
2 developing area of law under the Private Attorney General Act (“PAGA”). The instant case was thus at
3 the pivot of the uncertain, though crucial, issue of wage-and-hour law. Accordingly, I closely followed
4 the developing case law.

5 34. Defendants vigorously contested liability, the amount of claimed damages, and the
6 propriety of class certification.

7 35. Throughout the pendency of this case, defense counsel and I engaged in extensive
8 discussions and correspondence regarding the above issues, among others, as well as the risks of further
9 litigation and certifiability more generally; and from these communications the Parties agreed that this
10 case was conducive to mediation given the complexity of the legal and factual issues at play and the high
11 level of risk present for both sides.

12 36. As mentioned above, the settlement is the product of serious, informed, non-collusive,
13 arm’s-length negotiations that lasted several months. The Parties participated in a day long private
14 mediation session on June 29, 2026, with Shirish Gupta, a well-respected mediator with extensive
15 experience in California wage and hour class action litigation. During the mediation, the Parties
16 exchanged further information and discussed all aspects of the case, including the risks and delays of
17 further litigation and the risks to both Parties of proceeding with a motion for class certification, the law
18 relating to Defendants’ defenses, the law relating to Plaintiff’s claims, the evidence produced and
19 analyzed, and the possibility of appeals, among other things.

20 37. The Parties reached the terms of a settlement and executed a memorandum of
21 understanding regarding the basis parameters of the settlement on August 25, 2026. The Parties then
22 continued to negotiate regarding the specific terms and conditions of the settlement over the following
23 weeks and ultimately memorialized the settlement agreement and its terms on September 30, 2026 by
24 fully executing a final written settlement agreement.

25 38. As noted above, the Parties agreed to exchange informal discovery before and during the
26 mediation, and the Parties did exchange such informal discovery providing documents and data sufficient
27 for Plaintiff to adequately evaluate this case. I spent a significant number of hours communicating with
28 opposing counsel throughout the settlement discussions to negotiate the final terms of settlement as noted

1 above.

2 39. The length and risks of trial and other normal perils of litigation, as well as Defendants'
3 specific defenses regarding Plaintiff's claims as well as the specific and unique fact pattern that exists here
4 were all weighed in reaching the proposed Settlement. In addition, the affirmative defenses asserted by
5 Defendants, class certification issues, the difficulties of complex litigation, and the lengthy process of
6 establishing specific damages and various possible delays and appeals, were also all carefully considered
7 by our office in agreeing to the proposed Settlement.

8 40. As a result of settlement discussions both during the mediation session and in the following
9 months, the Parties agreed that this case was well suited for settlement given the outstanding legal issues
10 relating to Plaintiff's principal claims, as well as the costs and risks to both sides that would attend further
11 litigation. Thus, with Mr. Gupta's assistance, the Parties agreed, subject to Court approval, to enter into
12 the Settlement Agreement to resolve the claims in the above-entitled lawsuit. The proposed Settlement of
13 \$550,000.00 for the 202 class members represents an excellent resolution of this case. I believe that the
14 proposed Settlement as a whole is fair, reasonable, and in the best interest of the Class Members.

15 **Plaintiff's Causes of Action**

16 41. With regard to the strength of Plaintiff's case in light of the settlement amount, the lawsuit
17 boils down to two central issues, first the misclassification of Defendants' California employees as
18 independent contractors rather than employees. The second issue is Defendants' failure to comply with
19 California wage and hour laws.

20 42. Plaintiff's asserted claims were well grounded in the employment practices of Defendants.
21 Plaintiff contends that Defendants' policies and procedures were not compliant with the Labor Code or
22 applicable Wage Orders regarding overtime, minimum wage, meal and rest breaks, and expense
23 reimbursement during the relevant time period. Specifically, Plaintiff contends that Defendants' policy
24 and practice of classifying its California employees as independent contractors violated Wage Order 4,
25 which results in violations of the Labor Code as it denies the employees overtime as well as meal and rest
26 breaks. Moreover, Plaintiff asserted that Defendants' policy with respect to how it reimburses its
27 employees for their business expenses and business use of their personal cell phones and home internet
28 also violates California law.

1 43. Plaintiff contended that Plaintiff and other similarly situated employees are not
2 compensated for all of their time performing work as they were misclassified as independent contractors
3 by Defendants and paid based on a piece-rate compensation system, receiving a set amount of
4 compensation for each task performed. Because of the nature of their jobs, Plaintiff alleged that California
5 AI Trainers, including Plaintiff, regularly work in excess of forty (40) hours in a week and eight (8) hours
6 in a day; however, they are not paid overtime for these hours and were paid only piece-rate compensation
7 on account of being misclassified as independent contractors.

8 44. Defendants disagreed with Plaintiff's Counsel's interpretation of the above facts. In
9 particular, Defendants claimed that its California employees were properly classified as independent
10 contractors, which would mean its policy and practice of not paying these employees overtime or
11 providing meal and rest breaks as required by Wage Order 4 is legal.

12 45. Plaintiff's Counsel disputed the legal merits of Defendants' position as well as Defendants'
13 factual contentions. I took Defendants' arguments into consideration.

14 46. The settlement value took into consideration Defendants' position that the California
15 employees might be properly classified as independent contractors under California law and the
16 difficulties in obtaining class certification. In light of these other considerations, I applied appropriate
17 discounts to the maximum exposure estimate for settlement purposes.

18 47. Defendants assert Plaintiff and other similarly situated employees were properly
19 reimbursed for all necessary business expenditures. Defendants did not and do not believe they owe
20 Plaintiff or other California employees any unreimbursed business expenses. As a result, I had to account
21 for the risk when settling the matter that a trier of fact would feel that the reimbursement provided by
22 Defendants was sufficient cell phone reimbursement and and/or other work from home expenses.

23 48. Plaintiff further contended that Defendants do not have a written, actively enforced policy
24 of providing meal and rest periods to Plaintiff and other similarly situated employees because they
25 categorize and treat them as independent contractors. Plaintiff alleged that he and other similarly situated
26 employees were misclassified as independent contractors, and Defendants must comply with California's
27 meal break laws pursuant to Wage Order 4

28 49. Plaintiff specifically alleged that Defendants do not have a written, actively enforced policy

1 of providing meal and rest periods to Plaintiff and other similarly situated employees because they
2 categorize and treat them as independent contractors. Additionally, because of the nature of their job,
3 Plaintiff alleges that Plaintiff and other similarly situated employees are regularly prevented from taking
4 taking an uninterrupted thirty (30) minute off duty lunch period before the end of their fifth hour of work
5 or a second uninterrupted thirty (30) minute off duty lunch period before the end of their tenth hour of
6 work as they often have to (i) attend to work related tasks during their meal periods that interrupt their
7 meal periods or are not relieved of all of their duties, (ii) take less than thirty (30) minutes for their meal
8 periods, or (iii) take them after their fifth hour or tenth hour of work as appropriate. Neither Plaintiff nor
9 any similarly situated employees signed or executed any agreements waiving their statutory meal periods.

10 50. Defendants assert Plaintiff and other similarly situated employees were provided the proper
11 payment of all wages, and that Defendants' policy of classifying its California AI Trainers as independent
12 contractors complies with California law. Defendants further claimed that, even if Plaintiff and other
13 California employees were required to take or be provided with meal breaks, Defendants' policies and
14 practices provided for proper meal periods so if an employee took it late or failed to take a meal period, it
15 was their choice, and they waived the right to take either a timely meal or a meal period at all. Moreover,
16 Defendants assert that Plaintiff and other California AI Trainers were able to set their own schedule as
17 they worked from home and, as such, they were properly provided a meal period.

18 51. As for rest breaks, Plaintiff similarly alleged that Defendants do not have a written, actively
19 enforced policy of authorizing and permitting rest periods to Plaintiff and other similarly situated
20 employees because they categorize and treat them as independent contractors. Plaintiff alleged that the
21 nature of the work performed by Plaintiff and other similarly situated employees prevented them from
22 taking their ten (10) minute rest breaks, and that Defendants also intentionally do not schedule any breaks
23 into Plaintiff and other similarly situated employees' workday. Plaintiff alleged that employees often
24 work straight through their workday without a single rest break.

25 52. Defendants asserted Plaintiff and other similarly situated employees were provided the
26 proper payment of all wages, and that Defendants' policy of classifying its California AI Trainers as
27 independent contractors complies with California law. Defendants further claimed that, even if Plaintiff
28 and other California AI Trainers were required to take or be provided with rest breaks, Defendants'

1 policies and practices provided for proper rest breaks so if an employee took it late or failed to take a rest
2 period, it was their choice, and they waived the right to take either a timely rest break or a rest break at
3 all. Moreover, Defendants assert that Plaintiff and other California AI Trainers were able to set their own
4 schedule as they worked from home and, as such, they were properly authorized and permitted to take a
5 rest break.

6 53. In light of the foregoing, I took into consideration, when assessing damages under the
7 California Labor Code, the chances of prevailing on the derivative causes of action, as well as the
8 additional hurdles of prevailing under the aforementioned claims, including recent case law, and applied
9 the appropriate discounts.

10 54. The Labor Code Private Attorneys General Act, Labor Code §§ 2699, *et seq.*, allows
11 plaintiffs to obtain civil penalties on behalf of themselves and other Class Members for a defendant's
12 violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil
13 penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are
14 provided in the statute, Labor Code § 2699(f) establishes civil penalties of one (\$100) for each aggrieved
15 employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved
16 employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i), sixty-five (65)
17 percent of the penalties recovered must be allocated to the Labor and Workforce Development Agency
18 ("LWDA"), with the remaining thirty-five (35) percent allocated to the affected employees. The
19 limitations period as for all penalties is limited to one year prior to the filing of the complaint.

20 55. The provisions of the Labor Code potentially triggering PAGA penalties in this case
21 include but are not limited to Labor Code sections §§ 201, 202, 203, 204, 204(a), 210, 218, 218.5, 221,
22 222, 223, 224, 225.5, 226, 226.3, 226.7, 226.7(b), 226.8, 232.5, 233, 234, 246, 246.5, 248.5, 300, 432.5,
23 510, 512, 551, 552, 558, 558.1, 925, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199,
24 2800, 2802, 2810.5, 3700, and 3700.5.

25 56. Defendants asserted that regardless of the results of the other claims PAGA penalties are
26 not mandatory but permissive. Defendants maintained that in addition to their strong arguments against
27 the underlying claims they had a strong argument that, given the current unsettled state of law, it would
28 be unjust to award maximum PAGA penalties.

1 57. Plaintiff, in addition to the class claims, also sought to recover PAGA penalties on behalf
2 of himself and other aggrieved employees for Defendants' violations of the Labor Code. PAGA penalties
3 are subject to a one-year statute of limitations. (Cal. Civ. Proc. Code §340; *Amaral v. Cintas Corp. No. 2*
4 *163 Cal.App.4th 1157, 1199 (2008).*)

5 58. Under PAGA, Defendants argued that, if they are subject to a penalty (which they contends
6 they are not), then they are subject to only the initial civil penalty which, pursuant to Labor Code section
7 2699(f)(2), is calculated by multiplying the total number of wage payments made by \$100.00. (*See*
8 *Amaral v. Cintas Corp. No. 2, 163 Cal.App.4th 1157, 1209 (2008)* (holding that until an employer is cited
9 or informed that employer has violated the Labor Code, only the "initial" penalty rate applies).)

10 59. However, Civil penalties under the PAGA are difficult to predict in view of the statute's
11 reduction provisions. (*See* Cal. Lab. Code § 2699(e)(2) (" . . . a court may award a lesser amount than the
12 maximum civil penalty amount specified by this part if . . . to do otherwise would result in an award that
13 is unjust, arbitrary and oppressive, or confiscatory").) In fact, Court's routinely reduce PAGA awards
14 even in this County. For example, in *Gola v University of San Francisco*, San Francisco Superior Court
15 Case No. CGC-18565018, the Court reduced \$3,634,900 in PAGA damages to \$545,235 or just 15% of
16 the potential recovery. This theme persists throughout, for example in *Glazer v. Sunnyvale Massage LLC*,
17 San Mateo Superior Court Case No. CIV527399, the Court reduced \$1,721,050 in PAGA damages to
18 \$329,880 or just 19% of the potential recovery, and in *Taduran v. Glidewell*, Orange Superior Court Case
19 No. 30-2017-00934037, the Court reduced \$55,985,350 in PAGA damages to \$515,965 or just 0.9% of
20 the potential recovery

21 60. Given the foregoing, I calculated the settlement value under the PAGA cause of action by
22 multiplying the number of active Class Members (because of the shorted statutory period for this claim),
23 by the civil penalties that each could be awarded for the Labor Code sections enumerated under Labor
24 Code §2699.5 that were applicable in this case, and then applied significant discounts in light of the
25 countervailing arguments with regard to the other causes of action (especially given that a majority of the
26 PAGA penalties rise and fall with the California independent contractor determination), and moreover the
27 Court's power to award "a lesser amount than the maximum civil liability as noted above. Additionally,
28 as verified by discovery, Defendants paid bi-monthly, which resulted in a lower exposure to Defendants

on PAGA claims than if they had compensated workers on a weekly basis, which we took into account. Also, we did not stack multiple Labor Code violations alleged in the Complaint for this calculation and did not stack claims that are either duplicative or derivative of the class claims. Finally, we considered that the total amount of penalties for which the Defendants would potentially be found liable at trial could be less than the maximum civil penalty based on allocating risk factors.

61. Here, the extent of discovery concerning the PAGA claim was sufficient to enable me to evaluate the strength and value of the claim for purposes of Settlement. My investigation was sufficient to (1) tabulate the total number of potential Labor Code violations at issue during the PAGA period, (2) identify the total number of individuals falling within the definition of “Aggrieved Employee” for the PAGA period, and (3) determine and evaluate Defendants’ affirmative defenses in this action. Based on my experience litigating wage and hour claims, such investigation was sufficient to determine the potential value of the PAGA claim, and to evaluate the strength of this claim for purposes of Settlement.

62. As discussed in detail above, the proposed Settlement is the product of extensive and on-going arms-length negotiations between the Parties. The Parties attended mediation before Shirish Gupta, a well-regarded and experienced mediator. The mediation process was hard fought. Shortly thereafter, the Settlement Agreement that is the subject of this Motion was finally agreed upon, and then subsequently executed after extensive further negotiations.

63. The Parties have agreed to allocate from the \$550,000.00 Class Action Settlement \$20,000 to the award of penalties under PAGA. Pursuant to Labor Code section 2699(m): “...civil penalties recovered by aggrieved employees shall be distributed as follows: 65 percent to the Labor and Workforce Development Agency for enforcement of labor laws, including the administration of this part, and for education of employers and employees about their rights and responsibilities under this code, to be continuously appropriated to supplement and not supplant the funding to the agency for those purposes; and 35 percent to the aggrieved employees.” Consequently, of this \$20,000.00, \$13,000.00 (65%) will be made payable to the LWDA and the balance, \$7,000.00 (35%) will be paid to all eligible former workers of Defendants, which is further broken down above in Paragraph 27.

64. Defendants have agreed to provide payment to each of these individuals in accordance with the Settlement Agreement attached hereto as Exhibit A.

1 65. The relative strength of the PAGA claim brought by Plaintiff given all of the foregoing
2 risks weighs in favor of the Court finding that the Settlement is fair, adequate, and reasonable, as
3 Defendants maintained defenses to the theory of penalty-liability put forward by Plaintiff which, if
4 successful, had the potential to substantially reduce or eliminate recovery. Defendants maintained that
5 they properly and correctly classified their California AI Trainers as independent contractors.

6 66. Additionally, the PAGA's reduction provision (and recent court decisions providing
7 substantial reduction in awards from anywhere of 0.9% to 19% of the potential recovery) also weigh in
8 favor of the Court finding the Settlement is fair, adequate. In fact, Defendants maintained that even if the
9 Court did award penalties, the forgoing circumstances would cause the Court to substantially reduce the
10 penalties awarded based on the discretionary factors contained in California Labor Code § 2699(e)(2) ("In
11 action by an aggrieved employee ..., a court may award a lesser amount than the maximum civil penalty
12 amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise
13 would result in an award that is unjust, arbitrary and oppressive, or confiscatory"). In wage and hour class
14 actions, Defendants contend that the maximum civil penalty should not be awarded because the statutory
15 penalties overlap the civil penalties and thus would be providing a double recovery for the same violation,
16 and this would amount to an award that was unjust and arbitrary. As such, there was and is a substantial
17 risk that the PAGA penalties actually awarded by the Court would be severely reduced based on these
18 arguments.

19 67. Approval of the proposed Settlement is appropriate in light of the risk, expense, and
20 complexity of further litigation. As discussed above, the proposed Settlement takes into consideration the
21 specific factual and legal hurdles faced by the Plaintiff in establishing Defendants' penalty-liability in this
22 case, which again, may have resulted in a net-zero recovery. These risks when balanced with the fact that
23 the Settlement achieved a reasonable recovery, and that further litigation posed a risk of diminishing such
24 recovery by increasing litigation expenses weigh strongly in favor of Settlement approval. The Parties
25 agreed that to maximize the recovery for the class members was a noteworthy objective in the Settlement.
26 In this case, class members actually lost money and suffered actual damages. Therefore, compensating
27 the class members was of paramount importance. Therefore, in order to maximize the class members'
28 recovery, less money would have to go to LWDA for the PAGA penalties. The Parties agreed that under

1 these circumstances, allocating \$20,000.00 for PAGA was fair and reasonable in light of the harm
2 allegedly realized by the class members.

3 68. In my opinion, the number of penalties negotiated under the terms of the Settlement
4 reached by the Parties is fair and represents a good recovery for the State of California and the Aggrieved
5 Employees. I believe that continued litigation of this case may have produced better results, if any, at the
6 cost of significant litigation expenses for all Parties.

7 69. The Parties seek Court approval, therefore, for the PAGA penalties to be distributed as
8 noted herein.

9 70. Pursuant to California Labor Code § 2699(1), the Settlement Agreement was provided to
10 the LWDA on September 30, 2026. Attached as **Exhibit C** is the Department of Industrial Relations case
11 detail for Plaintiff's PAGA claim showing the dates and times that the settlement agreement was provided
12 to the LWDA.

13 71. The foregoing discussion has sought to explain how the settlement amount is adequate in
14 light of the merits of the case by explaining the legal basis for each of Plaintiff's causes of action,
15 summarizing the evidence that our office gathered in support of those causes of action, and evaluating
16 Defendants' legal and factual arguments against those causes of action. The conclusion to be drawn from
17 the foregoing analysis is that neither liability nor damages was clear-cut, which is why the Parties elected
18 to settle this matter. I had to apply appropriate discounts in light of the real defenses in this case because
19 they posed real risks to being able to recover anything. Thus, this settlement, like most others, was the
20 product of compromise.

21 72. In sum, the settlement amount is fair and reasonable in light of the strengths and
22 weaknesses of Plaintiff's case.

23 **Risk, Expense and Likely Duration of Further Litigation**

24 73. The next *Kullar* factors, identified in the heading above, recognize that settlements take
25 into consideration the risks and expenses posed by further litigation and, in the class-action context, the
26 risk of non-certification. Consequently, it is appropriate that the trial court should keep these
27 considerations in mind when judging the adequacy of class-action settlements.

28 74. Further litigation of this case posed real risks for a number of reasons. First, there were

1 the risks of unfavorable rulings on the merits of the various indeterminate legal issues outlined in the
2 previous sections, including, but not limited to, the fact that Court could determine that Plaintiff and the
3 California AI Trainers were properly classified as independent contractors, which would result in the
4 majority of the damages in this matter being nullified. Additionally, in the sections above, it was
5 specifically noted that every cause of action was subject to some unique indeterminacy of its own or
6 potential statutory defense that could have resulted in no recovery for Plaintiff and the Class Members.

7 75. Through the settlement process, Plaintiff's counsel took into consideration the benefit to
8 Class Members to receive a real monetary benefit at this time.

9 76. Finally, it is usually preferable to reach an early resolution of a dispute because, in addition
10 to what has already been said, such resolutions save time and money that would otherwise go to litigation.
11 Most cases settle sooner or later. If this case ended up settling after further litigation, the settlement
12 amount would have taken into account the additional costs incurred, and there might have been less money
13 available for Class Members after all was said and done. This is not just an abstract contention. The
14 Parties were moving into the phase of this litigation where, assuming the Parties proceeding the
15 certification motion hearing, they would have had to depose a large number of people such as employees
16 and customers in order to confirm certification and thereafter establish liability for trial. Discovery
17 disputes would have certainly arisen, especially in light of the complexity of this case. In contrast, the
18 settlement provides real benefits for Class Members here and now. The benefits are not insignificant for
19 anyone. Consequently, the risk and expense of further litigation outweighed any benefit that might have
20 been gained otherwise.

21 77. Michiko Vartanian is an associate assigned to this matter. Ms. Vartanian received her J.D.
22 degree in 2016 from Trinity Law School and has been licensed to practice law in California since
23 December 8, 2018. Prior to joining Valles Law, Ms. Vartanian gained over 7 years of experience handling
24 complex litigation, including class action and PAGA matters as well as single-plaintiff discrimination,
25 harassment, and retaliation cases in both California State and Federal courts at Melmed Law, P.C.,
26 Loveless Law Firm, APC, and Laurel Employment Law, P.C. Ms. Vartanian has also been approved as
27 class counsel in several cases with Melmed Law, P.C.

78. Kayla Rathjen is an associate assigned to this matter. Ms. Rathjen received her J.D. degree in 2019 from Boston College and has been licensed to practice law in California since January 21, 2020. From 2019 to 2022, Ms. Rathjen worked at Jackson Lewis, P.C. before joining Valles Law, P.C. in 2022. Between Valles Law and Jackson Lewis, Ms. Rathjen has over six (6) years of experience handling complex employment litigation, including representative actions and class claims as well as single-plaintiff discrimination, harassment, and retaliation cases in both California State and Federal court. (*Id.*)

Experience and Views of Counsel

79. As documented at the outset of this declaration, I am well qualified to act as class counsel and represent Plaintiff and the putative class in this action because of my knowledge and experience representing both plaintiffs and defendants in misclassification as well as wage and hour class actions my experience, but also our firm's resources. As previously noted, I have represented employees in numerous lawsuits involving wage and hour violations in California, including in class and representative actions and already been appointed as class counsel in actions involving the same exact issues as alleged here. Similarly, I have also previously been defense counsel in litigations alleging similar issues, so I have unique experience of understanding and appreciating the risk on both sides. Presently, a significant percentage of my practice at Valles Law is devoted to litigating wage and hour violations, and a large number of these cases are class and representative actions. I have also obtained favorable settlements against a range of defendants in wage and hour actions and class as well as representative actions.

80. Again, Valles Law is actively involved in both class action and individual employment litigation matters on an ongoing basis. Our firm deals regularly with class action litigation and individual employment litigation, many of which also involve wage and hour components, and we have previously been named class counsel in similar matters as noted above at the outset of this declaration. The experience I have is helpful in assessing the reasonableness of settlements such as the one at issue here; and from this experience I conclude that this lawsuit could not have been settled on better terms than provided under the present settlement agreement.

81. In sum, I am experienced in employment class-action litigation and adequate to represent the putative class in the instant action.

Reaction of Class Members to the Proposed Settlement

82. It is premature to address this factor now, at the preliminary-approval stage. However, we can address the notification procedure. The notification procedure set out in the Settlement Agreement provides the greatest likelihood that each and every Class Member will receive the Settlement Documents. Under the Settlement Agreement, the Settlement Administrator will send the Class Notice via first-class mail to each Class Member with instructions to the postmaster to return any Class Notices that are undeliverable. Moreover, a class website will be established by the Settlement Administrator listing the Settlement Agreement, operative complaint, and Class Notice, and other important documents for Class Members to refer to. Before mailing the Class Notice, the Settlement Administrator will perform an address search in order to verify the accuracy of the addresses provided by Defendants. If any Class Notices are returned undeliverable, the Settlement Administrator will promptly forward them to any address appearing on the returned envelope or, if there is no forwarding address, the Settlement Administrator will take reasonable and necessary steps to re-mail the returned Class Notices to those Class Members.

83. The Class Notice itself is easy to read and understand and fully apprises Class Members of the nature of the lawsuit, the claims involved, the terms of the settlement, their options under the proposed Settlement, and their right to opt-out of, or object to, the proposed Settlement and the deadline to do so. It notifies Class Members of the contact information for the Settlement Administrator and for Plaintiff's Counsel so that Class Members can speak to attorneys conversant with the legal and factual issues involved in this case. The efforts taken to ensure that Class Members receive the Class Notice and are well informed about the proposed Settlement, and the fact that class members need not submit to a claims process to be paid their money owed, suggests a favorable response.

84. The proposed Settlement provides for payments to participating Settlement Class Members that do not opt-out of the settlement, requiring no affirmative action on the part of the class member to receive monies owed to them under the settlement. Each Settlement Class Members' share of the settlement will be based upon the number of workweeks they actually worked for Defendants during the Class Period.

Conclusion of the *Kullar* Analysis

85. As is clear from the preceding *Kullar* analysis, this settlement is more than fair, reasonable,

1 and adequate. I, along with Ms. Rathjen, have conducted a thorough investigation of the subject wage-
2 and-hour practices and engaged in non-collusive, arm's-length negotiations in order to reach a settlement.
3 Defendants have agreed to pay fair value to settle Plaintiff and putative class members' claims given the
4 existence of the numerous legal hurdles and challenges that faced Plaintiff. From my substantial
5 experience with wage-and-hour-class-action lawsuits, this case could not have settled on better terms
6 under the circumstances. I therefore request that the settlement be granted preliminary approval so that
7 those persons whom it was intended to benefit shall be afforded the opportunity to determine its adequacy
8 for themselves.

9 **Request for Attorneys' Fees**

10 86. The settlement calls for the payment of \$183,333.33, or 33 1/3% of the settlement fund, in
11 attorneys' fees to Plaintiff's Counsel as well as \$25,000 for Attorneys' costs.

12 87. This request is fair, reasonable, and adequate to compensate Plaintiff's Counsel for the
13 substantial work this firm has put into this case (which has amounted to **hundreds of hours** to date) and,
14 moreover, the risk this firm assumed by taking it in the first place. Additionally, it is consistent with the
15 contingency-fee agreement entered into by Plaintiff. Based on my experience, I am aware that the
16 common and acceptable rate for contingency representation in wage-and-hour class action litigation is
17 normally 40% before trial, with the range being from 35% up to 50%.

18 88. The attorney fee award is intended to reimburse Plaintiff's Counsel for all uncompensated
19 work that we have already done over the past three years and for all the work we will continue to do in
20 carrying out and overseeing the notification to the Class Members, communicating with Class Members
21 regarding the proposed Settlement, and administering the settlement if it is preliminarily approved.

22 89. Plaintiff's Counsel took this case on a contingent-fee basis against an entity represented by
23 a reputable defense firm. When we take contingent cases, we must pay careful attention to the economics
24 involved. Accordingly, when we take contingent cases, we anticipate that we shall, if successful, receive
25 a fee that exceeds our normal hourly rate; otherwise, the risk is often too great to bear. Even when we
26 work long hours, the number of hours in a day is limited. Because of this, when we take on one particular
27 matter, we are unable to take on other matters. When Plaintiff's Counsel became involved in this case,
28 we realized the time commitment that it would entail, and we were forced to turn down matters that we

1 otherwise could have handled. We were forced to do so because of the thorough factual investigation and
2 development this case required. In sum, this case claimed a significant portion of Plaintiff Counsel's time
3 and attention throughout its pendency.

4 90. The requested attorneys' fees are reasonable for the services provided to Class Members
5 and for the benefits they will receive. Indeed, given the substantial number of hours that Plaintiff's counsel
6 has already put into this case, even with a modest multiplier under the lodestar theory, Plaintiff Counsel's
7 fees would still be justified. (*See Bihun v. AT&T Information System*, 13 Cal.App.4th 976, 997 (1993).)

8 91. With respect to the cost request, Plaintiff has requested \$25,000 for Attorneys Costs.
9 However, our office anticipates that the actual fees incurred will be less than the foregoing amount. As
10 of the date of drafting this declaration, Plaintiff has incurred just under \$19,000 in costs. However, we
11 are requesting \$25,000 be allocated in case additional costs and fees are incurred by our office between
12 now and final approval. Any unused portion of the litigation costs allocation of \$25,000 will be
13 reincorporated into the NSA for the Class Members.

14 **Service Award to Class Representative**

15 92. The Class Representative Plaintiff Augustine Barry is entitled to a reasonable service
16 payment for his efforts and initiative in bringing and helping to prosecute this action. He assumed a great
17 risk by challenging Defendants' wage-and-hour policies and bringing suit against them. Plaintiff first
18 took it upon himself to learn about the law and confer with others, including numerous employees, about
19 the issues he was facing. As is outlined in the declaration submitted by Plaintiff, he spent a considerable
20 amount of time investigating his claims and pursuing those claims on behalf of the proposed Class.

21 93. In pursuing claims against Defendants, Plaintiff increased his risks of retaliation by
22 potential prospective employers. He has now cost Defendants a substantial sum of money through his
23 courage in vindicating his rights and the rights of past workers. Such conduct will not be ignored by a
24 prospective employer who has to choose between an applicant who has never sued a prior employer and
25 one who has. This risk is particularly real in the information age, where employers can easily perform
26 background checks of prospective employees.

27 94. Plaintiff did not allow his fears of the potential repercussions of being a class representative
28 to deter him from acting for the benefit of Class Members. Quite the contrary, Plaintiff has been intimately

involved in this case since its inception. He has devoted a substantial amount of time to helping Plaintiff's Counsel effectively develop and prosecute this action at every stage of the litigation. On numerous occasions, Plaintiff discussed virtually every aspect of this case with Plaintiff's Counsel. He provided Plaintiff's Counsel with information and facts about Defendants, Defendants' practices, and about the industry generally, reviewed documents, produced documents, identified witnesses, and consulted Plaintiff's Counsel throughout the litigation. Plaintiff participated through the litigation and was available whenever Plaintiff's Counsel needed him as well as actively tried to obtain information that would benefit the Class Members, including, but not limited to, searching for and providing information related to his employment and employment conditions, providing needed information for mediation, settlement discussions, and potential class certification. Plaintiff attended meetings with Plaintiff's Counsel and was present in person throughout the mediation session (as well as kept in constant contact with counsel throughout the settlement negotiations that continued for months), that ultimately resulted in this Settlement, which Plaintiff had to take time off work to attend at a significant financial cost to himself. Moreover, during mediation, Plaintiff conferred with Plaintiff's Counsel and the mediator throughout. Plaintiff monitored the progress of the litigation with Plaintiff's Counsel and reviewed and signed the Settlement Agreement and the Memorandum of Understanding.

95. In fact, Mr. Barry has taken more of an active role in this matter than most plaintiffs would as he was incredibly invested in making sure that a satisfactory result was achieved for the Class Members.

96. Plaintiff has diligently, adequately, and fairly represented the Class Members, and has not placed his interests above any member of the putative class. All Parties agree that Plaintiff is entitled to an enhancement for his time and effort in this matter. Such service awards to class representatives have been a common feature of settlements negotiated by Plaintiff's Counsel, and they have been routinely approved by trial courts.

97. Moreover, as set forth in Plaintiff's declaration, he forwent his own individual claims against Defendants for wage and hour violations, based on our conservative estimate of his claims, would have ranged between \$120,000 to \$200,000 (if not more) and far exceeded the amount that he would recover as a Class/PAGA Representative Enhancement Payment or through his Individual Settlement Payment for the benefit of the Settlement Class and PAGA Settlement Group as a whole (and to his own

1 detriment). Instead of electing to pursue those claims, which would have been more lucrative for Plaintiff,
2 Plaintiff chose to put the Class ahead of himself and pursue recovery for all of his fellow class members
3 and not just himself as Plaintiff believed that was the right thing to do.

4 98. In light of the foregoing, Plaintiff's Counsel believes that a modest service award of
5 \$15,000.00 to Plaintiff Barry is fair and reasonable. Although Plaintiff's Counsel appreciates that the
6 Court has a duty to ensure that class representatives are not overcompensated at the expense of the class,
7 modest service awards in employment class actions such as this one are necessary not only to compensate
8 class representatives for the time they spend in the case, but also, and more importantly, to encourage
9 aggrieved employees to challenge questionable employment practices notwithstanding the very real
10 consequences they may face.

11 **Settlement Administrator**

12 99. In regard to the Settlement Administrator, the Parties have agreed that Apex Class Action
13 Administration ("Apex") will handle the notice and claims administration of the proposed Settlement.

14 100. After the Parties agreed to settle the matter, our office sought quotes from several different
15 settlement administrators, including Apex, to obtain the best service and cost for the services provided.

16 101. Ultimately, the Parties agreed to use Apex because of the services they provide, their
17 reputation, and their cost quote, which was not only reasonable, but substantially less than other options.

18 102. Apex is a provider of notice and settlement class action administration services since 2023
19 and has been appointed as a third-party administrator by all major courts in California and a number of
20 United States District Courts. According to Apex, their Class Action team has been directly involved with
21 class action administration for a combined 150 years and has successfully managed numerous class action
22 cases during that time. In fact, Plaintiff has sought and obtained a declaration from the Chief Executive
23 Officer of Apex regarding Apex's qualifications, which outlines the foregoing in more detail, and has
24 submitted that declaration along with his moving papers.

25 103. As a result, the Parties respectfully request that the Court appoint Apex as the Settlement
26 Administrator as the entity has extensive experience in the handling and processing of administering a
27 class action settlement.

1
2
3 I declare under penalty of perjury under the laws of the State of California that the foregoing is
4 true and correct. Executed on September 30, 2026, at Manhattan Beach, California.
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8 DANIEL VALLES
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EXHIBIT A

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Augustine Barry v. Pareto Inc. d/b/a Pareto AI and Phoebe Yao

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Augustine Barry (“Plaintiff”) on the one hand, and Defendants Pareto Inc. (a Delaware corporation dba Pareto AI, “Defendant Pareto”), and Xuechun (“Phoebe”) Yao (“Defendant Yao”) on the other hand (collectively, “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as the “Parties,” or individually as a “Party.”

1. DEFINITIONS.

- 1.1 “Action” means *Augustine Barry v. Pareto Inc. d/b/a Pareto AI, and Phoebe Yao*, in Alameda County Superior Court Case No. 25CV117381 (the “Consolidated Complaint,” as discussed below in Section 2.1.
- 1.2 “Administrator” means Apex Class Action Administration, who is the neutral third-party entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with the Motion for Preliminary Approval of the Settlement.
- 1.4 “Attorneys’ Fees” means the amount awarded by the Court to Class Counsel for reasonable attorneys’ fees incurred in prosecuting the Action.
- 1.5 “Class Counsel” means Daniel Valles and Kayla Rathjen, of Valles Law, P.C.
- 1.6 “Class Counsel Litigation Expenses Payment” means the amounts awarded by the Court to Class Counsel for reimbursement of expenses incurred in prosecuting the Action.
- 1.7 “Class Data” means Class Member identifying information in Defendant Pareto’s possession, which includes the Class Member’s name, last-known mailing address, and number of Class Workweeks and PAGA Pay Periods.
- 1.8 “Class Members” or “Class” means all current and former workers who provided project-based expert consultant services to Defendant Pareto for purposes of training and quality assuring AI models, who resided in California during the time they provided those services, and whom Defendant Pareto classified as independent contractors.
- 1.9 “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.

- 1.10 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.11 “Class Period” means the temporal scope of the release of class claims for the period from January 6, 2021 through May 4, 2025.
- 1.12 “Class Representative” means the named Plaintiff Augustine Barry in the Action seeking Court approval to serve as Class Representative.
- 1.13 “Class Workweek” means a calendar week during the Class Period in which a Class Member performed at least some Work during at least one day for Defendant Pareto. Class Workweeks shall be calculated according to Defendant Pareto’s records, which records (for clarity) exclude weeks where no Work was performed.
- 1.14 “Court” means the Superior Court of California for the County of Alameda.
- 1.15 “Defendants” means Defendant Pareto Inc., a Delaware corporation doing business as Pareto AI Inc. (“Defendant Pareto”), and Defendant Xuechun (“Phoebe”) Yao (“Defendant Yao”).
- 1.16 “Defendants’ Counsel” means Richard H. Rahm and Trinity Taylor Patel of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
- 1.17 “Effective Date” means the date by which both of the following have occurred: (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: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members object to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.18 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.19 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.20 “Gross Settlement Amount” means Five Hundred Fifty Thousand Dollars (\$550,000), which is the total amount Defendant Pareto agrees to pay on behalf of Defendants in full and final Settlement of this Action. The Gross Settlement Amount will be used to pay the Individual Class Payments, Individual PAGA Payments, LWDA Payment, Attorneys’ Fees, Class Counsel Litigation Expenses Payment, Incentive Award, and Administration Expenses. Under no circumstances

shall Defendants pay any sum above the Gross Settlement Amount under this Settlement, except that Defendant Pareto will additionally pay the employer-side payroll taxes on the wage portions of the Individual Class Payments (the “Employer-Side Payroll Taxes”).

- 1.21 “Incentive Award” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.22 “Individual Class Payments” means a Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Class Workweeks the Participating Class Member worked as a Class Member.
- 1.23 “Individual PAGA Payments” means a PAGA Group Member’s share of 35% of the PAGA Settlement Amount calculated according to the number of PAGA Pay Periods the PAGA Group member worked as a Class Member.
- 1.24 “IRS” means the Internal Revenue Service.
- 1.25 “Judgment” means the judgment entered by the Court in this Action based upon the Final Approval.
- 1.26 “LWDA” means the California Labor & Workforce Development Agency.
- 1.27 “LWDA Payment” means the 65% of the PAGA Settlement Amount paid to the LWDA.
- 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the Individual PAGA Payments, the LWDA Payment, Attorneys’ Fees, Class Counsel Litigation Expenses Payment, Incentive Award, and the Administration Expenses. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29 “Non-Participating Class Members” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion. For the avoidance of doubt, a Request for Exclusion does not apply to a PAGA Group Member’s eligibility for a share of the PAGA settlement amount and any Class Member who also qualifies as a PAGA Group Member and who opts out of the class settlement shall remain bound by the terms of the Settlement with respect to the PAGA claims and cannot pursue any of the Released PAGA Claims against the Released Parties, including Defendants.
- 1.30 “PAGA” means the Labor Code Private Attorneys General Act of 2004, as amended, Labor Code sections 2898, *et seq.*
- 1.31 “PAGA Group” means all Class Members who worked for Defendant Pareto during the PAGA Period.
- 1.32 “PAGA Group Member” means a member of the PAGA Group.

- 1.33 “PAGA Notices” means all PAGA notices filed by or on behalf of Plaintiff, including Plaintiff’s PAGA notice dated January 6, 2025, and Plaintiff’s Amended PAGA notice dated April 10, 2025.
- 1.34 “PAGA Pay Period” means a Class Workweek worked by a PAGA Group Member. For clarity, the total number of PAGA Pay Periods worked by PAGA Group Members is the same as the total number of Class Workweeks worked by all Class Members during the same period.
- 1.35 “PAGA Period” means the temporal scope of the release of Released PAGA Claims shall be the period from January 6, 2024 through May 4, 2025.
- 1.36 “PAGA Settlement Amount” means the total amount (\$20,000.00) of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated as 35% to the PAGA Group Members (\$7,000.00) and 65% to the LWDA (\$13,000.00) in settlement of the Released PAGA Claims.
- 1.37 “Participating Class Members” means any Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.38 “Plaintiff” means Augustine Barry, the named plaintiff in the Action.
- 1.39 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.40 “Released Class Claims” means the claims to be released by the Class Members and Plaintiff, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs administrators, successors, and assigns, as to the Released Parties, including Defendants, with respect to all claims and/or legal theories arising during the Class Period under federal, state, or local laws, that were alleged or could reasonably have been alleged based on the facts alleged in the Consolidated Complaint, including but not limited to, claims stemming from an alleged misclassification of employees as independent contractors (Lab. Code § 2775); (1) Failure to Pay Overtimes (Lab. Code §§ 410 and 1198); (2) Failure to Provide Meal Breaks (Lab. Code §§ 512 and 226.7); (3) Failure to Authorize and Permit Rest Breaks (Lab. Code §§ 12 and 226.7); (4) Failure to Pay Minimum Wages (Lab. Code §§ 1194, 1197, 1182.12); (5) Failure to Pay Wages (Lab. Code §§ 204 and 210); (6) Failure to Provide Accurate Wage Statements (Lab. Code § 226); (7) Failure to Pay all Wages due Upon Discharge (Lab. Code §§ 201, 202, and 203); (8) Failure to Reimburse Necessary Business Expenses (Lab. Code §§ 2800 and 2802); (7) Failure to Timely Pay Wages During Employment and at Termination (Lab. Code §§ 201-204 and 210); (9) Denial of Sick Time (Lab. Code §§ 233, 234) (10) Unlawful Business Practices (Bus. Prof. Code § 17200); and (11) Civil Penalties Pursuant to Labor Code Private Attorney General Act (Lab. Code § 2699 et seq), as well as all damages, penalties, interest and other amounts recoverable under these causes of action or primary rights under the law, to the extent permissible, including but not limited to the California Labor Code, the

applicable Wage Orders, and Fair Labor Standards Act. The Class settlement will foreclose the Class Members from pursuing the Released Class Claims.

- 1.41 “Released PAGA Claims” means the claims to be released by the State of California, through the LWDA and Plaintiff as a PAGA Representative, as to the Released Parties, including Defendants, with respect to all claims arising during the PAGA Period for civil penalties under PAGA that were alleged or could have been alleged based on the factual allegations in the Action and the PAGA Notices, which include but are not limited to civil penalties that could have been awarded based on those claims listed in Section 1.38, above, as well as any claims pursuant to California Labor Code sections 201, 202, 203, 204, 204(a), 210, 218, 218.5, 221, 222, 223, 224, 225.5, 226, 226.3, 226.7, 226.7(b), 226.8, 232.5, 233, 234, 246, 246.5, 247.5, 248.5, 300, 432.5, 510, 512, 551, 552, 558, 558.1, 925, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 *et seq.*, 2775, 2800, 2802, 2810.5, 3700, 3700.5, as well as the applicable Wage Orders. The PAGA settlement will foreclose the PAGA Members from pursuing the Released PAGA Claims.
- 1.42 “Released Parties” means Defendants and any of Defendant Pareto’s former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly received services performed by the Class Members or PAGA Group Members as well as each of their past, present, and/or future, direct and/or indirect officers, directors, members, managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, insurers, reinsurers, successors, assigns or legal representatives, and all persons acting under, by, through, or in concert with any of them, and each of them.
- 1.43 “Request for Exclusion” means a Class Member’s submission of a written request to the Administrator to be excluded from the Class Settlement signed by the Class Member.
- 1.44 “Response Deadline” means 60 days after the Administrator mails the Class Notice to Class Members, and shall be the last date on which a Class Member may: (a) fax, email, or mail such Class Member’s Request for Exclusion to the Administrator, or (b) fax, email, or mail such Class Member’s Objection to the Settlement to the Administrator. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the 60 days otherwise provided.
- 1.45 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.46 “Work” means project-based expert consultant or related services provided by third parties to Defendant Pareto for purposes of training and quality assuring AI models, where such third parties resided in California during the time they provided those

services, and where Defendant Pareto classified such third parties as independent contractors.

2. RECITALS.

- 2.1 Plaintiff, represented by David Mara of the Mara Law Firm, originally filed a PAGA letter on January 6, 2025, and a class action on January 8, 2025, in Alameda County Superior Court Case No. 25CV106059. In that class action, Plaintiff alleged wage-and-hour violations based on Defendant Pareto's alleged misclassification of Plaintiff as an independent contractor. That action was dismissed on March 24, 2025. On April 1, 2025, Plaintiff, represented by Daniel Valles of Valles Law, filed a class action in Alameda County Superior Court, Case No. 25CV117467, against Defendants, alleging the same or similar claims, and a PAGA action on April 1, 2025, in Alameda County Superior Court, Case No. 25CV117381. Case Nos. 25CV117467 and 25CV117381 were consolidated into one Class and Representative Action, *Augustine Barry v. Pareto Inc. and Phoebe Yao*, Case No. 25CV117381 (the "Consolidated Complaint"). The Consolidated Complaint, filed on September 10, 2025, alleges eleven causes of action against Defendants. The eleven causes of action are: (1) failure to pay minimum wages; (2) failure to pay overtime; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to pay all wages when due; (6) failure to provide accurate wage statements; (7) failure to reimburse business expenses; (8) failure to provide sick leave; (9) waiting time penalties; (10) unlawful business practices under Business and Professions Code § 17200, and (11) civil penalties under PAGA (Lab. Code § 2699, *et seq.*)
- 2.2 A mediation was held with JAMS mediator Shirish Gupta on June 29, 2026, at which a resolution was reached. The Parties entered into a Memorandum of Understanding ("MOU") on or about August 25, 2026, to memorialize what the Parties believed were essential to the Settlement.
- 2.3 In connection with the mediation, Plaintiff requested and Defendants provided information related to Class Members, including their total number, their total number of workweeks, and their compensation, among other things. Defendants also produced various documents requested by Plaintiff before the mediation, many of which had already been produced in the course of discovery, including employee handbooks and a spreadsheet containing Class Members' information. In these and other ways, the Parties investigated the facts and analyzed the relevant legal issues regarding the claims in the Action and Defendants' defenses to those claims. Plaintiff submits that his investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.4 The Parties have each considered the uncertainties of continued litigation and the benefits to be obtained under the proposed settlement, and have considered the

costs, risks, and delays associated with the continued prosecution of the Action and the likely appeals of any rulings in favor of Plaintiff or Defendants.

- 2.5 The Parties, through their respective counsel, have engaged in arm's-length negotiations concerning a resolution of the Action, Released Class Claims, and Released PAGA Claims.
- 2.6 It is the Parties' intention and the objective of this Agreement to avoid the costs of further litigation and trial, and to settle and dispose of, fully and completely and forever, the claims released and described herein.
- 2.7 The Parties agree to stipulate to class certification for purposes of Settlement only as to the Class and related to the Released Class Claims and the Released PAGA claims.

3. MONETARY TERMS.

- 3.1 Gross Settlement Amount. Defendant Pareto promises to pay \$550,000.00 and no more as the Gross Settlement Amount and to separately pay the Employer-Side Payroll Taxes on or before the deadline stated in Section 4.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
- 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
 - 3.2.1 To Plaintiff: Incentive Award of not more than \$15,000.00 to Plaintiff (in addition to any Individual Class Payments and Individual PAGA Payments that Plaintiff is entitled to receive as a Participating Class Member and PAGA Group Member). Defendants will not oppose Plaintiff's request for an Incentive Award that does not exceed this amount. As part of the Motion for the Attorneys' Fees and Class Litigation Expenses Payment, Plaintiff will seek Court approval for an Incentive Award no later than 16 court days before the Final Approval Hearing. If the Court approves an Incentive Award in an amount less than the amount requested, the Administrator will retain the remainder as part of the Net Settlement Amount. The Incentive Award is not subject to tax withholdings and will be reported on IRS Form 1099. Plaintiff assumes full responsibility and liability for taxes associated with the Incentive Award and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any taxes, division or sharing of this payment.
 - 3.2.2 To Class Counsel: An Attorneys' Fees payment of not more than 33.33% of the Gross Settlement Amount, which is currently estimated to be \$183,333.33, and a Class Counsel Litigation Expenses Payment of up to \$25,000. Defendants will not oppose requests for such Class Counsel's

payments provided that they do not exceed the stated amounts. Class Counsel will file a motion for the Attorneys' Fees and Class Counsel Litigation Expenses Payment no later than 16 court days before the Final Approval Hearing. If the Court approves an Attorneys' Fees and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will retain the remainder as part of the Net Settlement Amount. The Released Parties, including Defendants, shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Attorneys' Fees and Class Counsel Expenses Payment using one or more IRS Forms 1099. Class Counsel assumes full responsibility and liability for taxes owed on the Attorneys' Fees and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any taxes, disputes, or controversies regarding any division or sharing of any of these payments.

3.2.3 To the Administrator: An Administration Expenses payment not to exceed \$11,350.00, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$11,350.00, the Administrator will retain the remainder as part of the Net Settlement Amount.

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

3.2.4.1 Tax Allocation of Individual Class Payments. Ten percent (10%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported to each Participating Class Member on an IRS Form W-2. Ninety percent (90%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to tax withholdings and will be reported on IRS Form 1099. Participating Class Members assume full responsibility and liability for any taxes owed on their Individual Class Payment and will hold Defendants harmless from any claim or liability for taxes, penalties, or interest arising because of the payments.

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 as part of

the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and PAGA Group Members. Subject to Court approval, the Parties agree that the amount of \$20,000.00 from the Gross Settlement Amount will be paid in settlement of all individual and representative claims brought in the Action by or on behalf of Plaintiff and the LWDA for the benefit of the PAGA Group Members under PAGA. Pursuant to PAGA, Sixty-Five Percent (65%) of this sum, or \$13,000.00, will be paid to the LWDA (the LWDA Payment) and Thirty-Five Percent (35%), or \$7,000.00, will be paid to the PAGA Group (the Individual PAGA Payments).

3.2.5.1 Calculation of Individual PAGA Payments. The Administrator will calculate each PAGA Group Member's share of the 35% paid from the PAGA Settlement Amount based on the number of the PAGA Group Member's PAGA Pay Periods. The Administrator will sum the aggregate total number of PAGA Pay Periods for all PAGA Group Members. The Administrator will divide the 35% share that is to be paid to the PAGA Group by the aggregate total number of PAGA Pay Periods, resulting in the "PAGA Pay Period Value." To determine each PAGA Group Member's Individual PAGA Payment, the Administrator will multiply each individual PAGA Group Member's PAGA Pay Periods by the PAGA Pay Period Value.

3.2.5.2 Tax allocation of Individual PAGA Payments. Each PAGA Group Member will be issued an IRS Form 1099 in connection with their Individual PAGA Payment, which will be classified as penalties rather than wages for tax purposes, and PAGA Group Members will be solely and legally responsible to pay any and all applicable taxes on the payments made pursuant to this Section 3.2.5 and will hold Defendants harmless from any claim or liability for taxes, penalties, or interest arising as a result of such payments.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Data. Not later than 20 business days after the Court grants Preliminary Approval of the Settlement, Defendant Pareto will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' and PAGA Group Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to the Administrator's employees who need access to the Class Data to effectuate administration of the Settlement under this Agreement. Defendant Pareto will promptly notify Class Counsel if Defendant Pareto discovers that the Class Data omitted Class Member and/or PAGA Group Member identifying information and provide corrected or updated Class Data to the Administrator as soon as reasonably

feasible. Without any extension of the deadline by which Defendant Pareto must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

- 4.2 Funding of Gross Settlement Amount. Defendant Pareto shall fund the Gross Settlement Amount (\$550,000.00) and the amount necessary to pay the Employer-Side Payroll Taxes by transmitting the funds to the Administrator within twenty-eight (28) days of the Effective Date.
- 4.3 Payments from the Gross Settlement Amount. Within fourteen (14) business days after Defendant Pareto funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA Payment, the Administration Expenses, the Attorneys' Fees, the Class Counsel Litigation Expenses Payment, and the Incentive Award. Disbursement of the Attorneys' Fees, the Class Counsel Litigation Expenses Payment, and the Incentive Award shall not precede disbursement of Individual Class Payments and PAGA Payments (including both the Individual PAGA Payments and the LWDA Payment).
 - 4.3.1 The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Participating Class Members and the PAGA Group Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of issuance) when the check will be voided. All checks not cashed within 180 days of payment shall be paid to the California Industrial Relations Unpaid Wage Fund. The Administrator will send checks for Individual Class 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 PAGA Group Members including Non-Participating Class Members who qualify as PAGA Group Members (including those for whom Class Notice was returned undelivered). Unless the Court orders otherwise, 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 Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.3.2 The Administrator must conduct a Class Member Address Search for all Participating Class Members and PAGA Group Members whose checks are returned undelivered without a USPS forwarding address. Within seven (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 Participating Class Members and PAGA Group Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a requested

replacement check to any Participating Class Member and/or PAGA Group Member whose original check was lost or misplaced, prior to the void date.

4.3.3 For any Participating Class Member whose Individual Class Payment check or any PAGA Group Member whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Industrial Relations Unpaid Wage Fund in the name of the Class Member/PAGA Group Member thereby leaving no “unpaid residue” subject to the requirements of California Code of Civil Procedure section 384, subdivision (b).

4.3.4 The payment of Individual Class Payments and/or Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members and/or PAGA Group Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

4.4 Discharge of Obligations. Defendants shall discharge their obligations to Plaintiff, Participating Class Members, and PAGA Group Members through Defendant Pareto remitting the Gross Settlement Amount to the Administrator as set forth in Section 4.2, above, regardless of whether checks representing Individual Class Payments and Individual PAGA Payments are actually received and/or negotiated by Plaintiff (or Class Counsel), Participating Class Members, and/or PAGA Group Members. Once Defendant Pareto has complied with its obligations set forth in Section 4.2, above, Defendants will be deemed to have satisfied all terms and conditions under this Agreement, shall be entitled to all protections afforded to the Released Parties, including Defendants, under this Agreement, and shall have no further obligations under the terms of the Agreement, except to cooperate in good faith with Class Counsel and/or the Administrator to resolve any issue that may arise with the administration of the Settlement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant Pareto fully funds the Gross Settlement Amount and the Employer-Side Payroll Taxes, Plaintiff, Participating Class Members, PAGA Group Members, and Class Counsel will release claims against all Released Parties, including Defendants, as follows:

5.1 Plaintiff’s General Release. Plaintiff, on behalf of himself, his former and present spouse(s), representatives, agents, attorneys, heirs, administrators, successors, assigns generally, and all those who claim through each of them or who assert claims on their behalf shall be deemed to have expressly released, waived and relinquished any and all claims, demands, rights, liabilities and causes of action they have or have ever had against any of the Released Parties, known or unknown, based in any way on, or otherwise arising from or related to, Plaintiff’s work performed for Defendants, either in an employment or independent contractor relationship, or the termination of such relationship, as of the date of execution of this Settlement Agreement. This includes claims for economic damages, non-economic damages, exemplary damages, penalties, restitution, injunctive or

declaratory relief, interest, attorneys' fees, costs, or any other forms of monetary or non-monetary relief. This general release by Plaintiff shall also include all statutory claims, common law claims (including but not limited to those sounding in contract, tort, and equity), and claims for compensation to the fullest extent permitted by law. Plaintiff further agrees not to sue or otherwise make a claim against any of the Released Parties, including Defendants, for any of the claims that are released pursuant to this Agreement.

- 5.2 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. Plaintiff acknowledges that the general release herein includes potential claims and costs that may not be known or suspected by Plaintiff to exist, and Plaintiff hereby expressly and affirmatively waives and relinquishes any and all rights and benefits which Plaintiff may otherwise have relating to the claims released in this Agreement pursuant to Civil Code section 1542, and any similar law of any state or territory of the United States. Civil Code section 1542 states 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.

Plaintiff may hereafter discover claims or facts in addition to, or different from, those which Plaintiff now knows or believes to exist, but Plaintiff expressly agrees to fully, finally, and forever settle and release any and all claims against the Released Parties, including Defendants, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from any and all activities or relationships, including, without limitation, employment or independent contractor relationships, between Plaintiff and Released Parties, including Defendants, and the termination of those activities or relationships.

- 5.3 Releases by Participating Class Members. All Participating Class Members, together and individually, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, executors, administrators, successors, and assigns, shall fully and forever release and discharge all of the Released Parties, or any of them, including Defendants, from each of the Released Class Claims during the Class Period.
- 5.4 Release by Plaintiff, the State of California and the LWDA. Plaintiff, as the PAGA Representative, and the State of California and Labor and Workforce Development Agency shall fully release and discharge the Released Parties, including Defendants, from all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the facts

alleged both in the PAGA Notices and in the Action, including the operative complaints. Because this portion of the Settlement resolves claims and actions brought pursuant to PAGA by Plaintiff as a proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Group Member has the right to exclude himself or herself from the PAGA portion of the Settlement. PAGA Group Members will be bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether the PAGA Group Member cashes any Individual PAGA Payment received because of this Settlement. The Parties also agree that no PAGA Group Member has the right to object to the terms of the Settlement Agreement.

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiff and Class Counsel will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”), which Defendants shall not oppose.

6.1 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defendants’ Counsel will expeditiously work together on behalf of the Parties, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defendants’ Counsel will expeditiously work together on behalf of the Parties, 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 Class Action Administration which, as a condition of appointment, agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the 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 from prior experience administering settlements.

7.2 Employer Identification Number. The Administrator shall obtain and use a unique Employer Identification Number (used solely for the payments made under this Agreement, the “Administrator FEID”) for purposes of calculating payroll tax withholdings and providing reports to 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 five (5) 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, PAGA Group Members, Class Workweeks, and PAGA Pay Periods in the Class Data.

- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 10 business days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice 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 payable to the Class Member, and the number of Class Workweeks 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 five (5) 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.
- 7.4.4 The deadlines for Class Members' written objections, challenges to Class Workweeks, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed by the Administrator. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If at any point before Plaintiff files his Motion for Final Approval, the Administrator, Defendants, Defendants' Counsel, 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 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 14 days after receipt of the Class Notice, or the deadline dates in the Class Notice, whichever is later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose

Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or Class Member's representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, telephone number, and such Class Member's Social Security number, Federal Employer Identification Number, or non-USA identification number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Section 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice, objects to the Settlement, receives a check for their Individual Class Payments and Individual PAGA Payments, or cashes the check.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment nor have the right to object to the Settlement.
- 7.5.5 Upon entry of the Judgment, Non-Participating Class Members who are PAGA Group Members shall be bound by the Judgment as to the Released PAGA Claims. Such PAGA Group Members shall be eligible to receive an Individual PAGA Payment.
- 7.6 Challenges to Calculation of Class Workweeks and/or PAGA Pay Periods. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed by the Administrator) to challenge the number of Class Workweeks and or PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation,

the Administrator is entitled to presume that the Class Workweeks and/or PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Class Workweeks or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculations of Class Workweeks to Defendants' Counsel, who shall have the opportunity to reply to such challenges, and the Administrator's determination resolving the challenge shall be binding on the parties.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Attorneys' Fees, Class Counsel Litigation Expenses Payment, and/or Incentive Award.

7.7.2 Participating Class Members may send written objections to the Administrator by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney at their own expense to appear in Court) to present oral objections at the Final Approval Hearing. A written objection is a letter from a Class Member or Class Member's representative that reasonably communicates the Class Member's objection to the Settlement and includes the Class Member's name, address, telephone number, and last four digits of Class Member's social security number, Federal Employer Identification Number, or non-USA identification number. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed by Administrator).

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

7.7.4 PAGA Group Members have no right to object to any of the PAGA components of the Settlement, regardless of whether they have objected to the class components of the Settlement as a Participating Class Member.

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

7.8.1 Website, Email Address, and Toll-Free Number. The Administrator will establish, maintain, and use an internet website to post information of interest to Class Members, including the date, time, and location of the Final Approval Hearing. The Administrator will also maintain and monitor an

email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator will inform Class Counsel and Defendants' Counsel of the total number of Class Members who timely submitted a valid Request for Exclusion. The Administrator shall retain the originals of all Requests for Exclusion in its files.
- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defendants' 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, and challenges to Class Workweeks received and/or resolved ("Weekly Report"). The Weekly Report must include the Administrator's assessment of the validity of any Requests for Exclusion and attach copies of any objections received.
- 7.8.4 Class Workweek and/or PAGA 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 or PAGA Group Member challenges over the calculation of Class Workweeks and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Final Report by Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defendants' Counsel with a final report detailing its disbursements made using the Administrator FEID. At least 14 days before any deadline set by the Court, the Administrator will prepare and submit to Class Counsel and Defendants' Counsel a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS AND PAGA GROUP SIZE ESTIMATES. Based on its records, the Parties estimated that there were (1) approximately 202 Class Members who collectively worked a total of approximately 1,930 Class Workweeks performing the services of a Class Member (as defined in Section 1.7) during the Class Period, and (2) approximately 202 PAGA Group Members who collectively worked a total of approximately 1930 PAGA Pay Periods during the PAGA Period.

9. DEFENDANTS' RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion meets or exceeds ten percent (10%) of the total of all Class Members, Defendants may elect, but are not obligated, to withdraw from the Settlement. The Parties agree that if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that

neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant Pareto will remain responsible for paying all administration expenses incurred as of the date Defendants make this election to withdraw. Defendants must notify Class Counsel and the Court of their election to withdraw not later than thirty (30) calendar days after the Administrator sends the final Exclusion List to Defendants' Counsel. Invalid Requests for Exclusion will not affect this threshold for an election.

10. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (s), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Class Counsel and Defendants' Counsel will expeditiously meet and confer in good faith to resolve any disagreements concerning the Motion for Final Approval.

- 10.1 Response to Objections. Each Party retains the right to respond to any written objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days before the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members or PAGA Group Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Incentive Award, Attorneys' Fees, Class Counsel Litigation Expenses Payment, and/or Administration Expenses shall not constitute a material modification to the Agreement within the meaning of this Section.
- 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the 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.
- 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Attorneys' Fees and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. In the event any appeal is filed from the Judgment, or any other appellate review is sought before the Effective Date, the Parties' obligations to perform under this Agreement will be suspended, and

administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review, and until such time as the Judgment becomes final.

- 10.5 Nullification of Settlement. In the event that: (i) the Court does not preliminarily approve the Settlement as provided herein, (ii) the Court does not finally approve the Settlement as provided herein, (iii) the Court does not enter the Judgment as provided for herein, or (iv) the Settlement does not become final for any other reason, including the exercise of Defendants' right to withdraw as provided under Section 9 above, then this Agreement, and any documents generated to bring it into effect, will be void ab initio, and will have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement. Any order or judgment entered by the Court in furtherance of this Agreement will likewise be treated as withdrawn or vacated by stipulation of the Parties. The Parties shall return to their respective positions that existed as of the date this Agreement was executed, and no term of this Agreement or any draft thereof, or the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, including the MOU, shall have any effect or be admissible as evidence for any purpose in the Action, or in any other proceeding.
- 10.6 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members or PAGA Group Members), this Agreement shall be void ab initio, and will have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement, as set forth in Section 10.5. The Parties shall nevertheless work together expeditiously and in good faith to address the appellate court's concerns and obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Incentive Award or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this Section, as long as the Gross Settlement Amount remains unchanged. If Class Counsel appeals the Court's ruling as to the Attorneys' Fees Payment and/or Class Counsel Litigation Expenses Payment, the Parties agree that any such appeal constitutes a dispute between Class Counsel and the Court and that Defendants and Defendants' Counsel will not be involved and will not be expected to appear, file papers, argue any position, or participate in any manner. In the event of any such appeal, Defendant Pareto shall not fund the settlement, and its obligation to fund it will be stayed until such appeal is fully resolved
- 10.7 **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

11. ADDITIONAL PROVISIONS.

- 11.1 No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended to or should be construed as an admission by Defendants that any of the allegations in the Action have merit or that Defendants have any liability for any claims asserted; further, nothing in this Agreement is intended to or should be construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment are for purposes of this Settlement only. Plaintiff agrees that Defendants expressly reserve the right (and thereby have not waived their right) to contest certification of any class for any reasons, contest the manageability to litigate Plaintiff's claims on a representative basis. Defendants reserve all available defenses and affirmative defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. Such a reservation of rights will terminate when the Court enters Final Judgment in the Action. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 11.2 No Solicitation. The Parties agree that they and their respective counsel and anyone affiliated with employees, or anyone affiliated with counsel, will not solicit any Class Members to opt out of, object to, or appeal from the Settlement or the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations to Class Members.
- 11.3 Mutual Non-disparagement. For the period from the execution of the Settlement Agreement to the funding of the Gross Settlement Amount, and to the fullest extent permitted by law, Plaintiff agrees not to make any disparaging statement(s) to clients, customers, or suppliers of the Released Parties or to any members of the public, media, or on any form of social media or any public forum, about the Released Parties or their products and services. Likewise, for the same period, Defendants agree not to make any disparaging statements about Plaintiff.
- 11.4 Dismissal of Defendant Yao with Prejudice. The Parties stipulate and agree that the Court's granting of final approval of the Settlement, Defendant Yao shall be released from all claims in the Action, including all Class and PAGA Claims, and Defendant Yao shall be dismissed from the Action with prejudice.
- 11.5 Integrated Agreement. Upon execution by all Parties and their respective counsel, this Agreement, together with its attached exhibits, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

- 11.6 Attorney Authorization. Class Counsel and Defendants' Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement, including any amendments to this Agreement.
- 11.7 Parties Represented by Counsel. The Parties hereby acknowledge that they have been represented in negotiations for and in the preparation of this Agreement by independent counsel of their own choosing, they have read this Agreement and have had it fully explained to them by such counsel, and they are fully aware of the contents of this Agreement and of its legal effect.
- 11.8 Voluntary Agreement. This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of either Party, or of any other person, firm or entity. Each Party has made such investigation of the facts pertaining to this Agreement and of all other matters pertaining hereto as such Party deems necessary.
- 11.9 Cooperation. The Parties agree to cooperate fully with each other to accomplish the terms of this Agreement, including, but not limited to, the execution and delivery of any and all additional papers, documents, and other assurances, and the taking of such other action as may be reasonably necessary to implement the terms of this Agreement. The Parties and their respective counsel shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, to effectuate this Agreement and the terms set forth herein.
- 11.10 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Parties in this Settlement.
- 11.11 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants, nor Defendant's Counsel is providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise. Participating Class Members, PAGA Group Members, and Class Counsel shall be solely responsible for the reporting of any payment they receive, and for the payment of their share of any federal, state, and/or local income tax or other tax or any other withholdings, if any, on any of the payments made pursuant to this Settlement. Defendants make no representation, and it is understood and agreed that Defendants have made no representation, as to the taxability to any Participating Class Members of any portion of the Individual Class Payments, to any PAGA Group Members regarding the Individual PAGA Payments, the payment of attorneys' fees and expenses to Class Counsel, or the payment of the Incentive Award to the Class Representative. The Class Notice will advise each Class Member and PAGA Group

Member to seek their own personal tax advice prior to acting in response to the Class Notice.

- 11.12 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 11.13 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 11.14 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted in accordance with the internal laws of the state of California, without regard to conflict of laws principles.
- 11.15 Cooperation in Drafting. The Parties have cooperated in drafting and preparing 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.
- 11.16 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall indefinitely survive the Settlement.
- 11.17 Use and Return of Class Data. Information provided to Class Counsel pursuant to California Evidence Code section 1152, and all copies and summaries of employment data for the Class provided to Class Counsel by Defendants in connection with the Action, the mediation sessions, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final payout of all Settlement funds, Plaintiff and Class Counsel shall destroy all paper and electronic versions of data and information received from Defendants unless, before the Court's discharge of the Administrator's obligation, Defendants make a written request to return such data and information.
- 11.18 Agreement Constitutes a Complete Defense. To the extent permitted by law, this Agreement may be pleaded as a full and complete defense to any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of or contrary to this Agreement.
- 11.19 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 11.20 Calendar Days. Unless otherwise noted, all references to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this

Agreement falls on a weekend or on a federal or state legal holiday, such date or deadline shall be on the first business day thereafter.

11.21 Execution in Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile or electronically (*e.g.*, PDF or DocuSign), which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.22 Stay of Litigation. The Parties agree that upon the execution of this Agreement, and subject to the Court's approval, the litigation may be stayed, except to effectuate the terms of this Agreement. Pursuant to California Code of Civil Procedure section 583.330, the Parties further agree that upon the execution of this Agreement, any period of time during which the Action has been stayed by the Court for purposes of the approval and administration of this Settlement shall be excluded in computing the time within which the Action must be brought to trial pursuant to California Code of Civil Procedure section 583.310.

12. SIGNATURES.

Date 9/30/2026

Signed by:

D2B82678866E46D...

Augustine Barry
Plaintiff

Date 09 / 30 / 2026


Xuechun Yao
09/30/2026 16:19:12 UTC-7

Xuechun ("Phoebe") Yao
Chief Executive Officer of
Defendant Pareto Inc.

Date 09 / 30 / 2026


Xuechun Yao
09/30/2026 16:19:12 UTC-7

Defendant Xuechun ("Phoebe") Yao
(in her personal capacity)

Approved as to Form Only:

Date 9/30/2026

Signed by:

85B61AC5BD1D493...

Daniel Valles
Kayla Rathjen
VALLES LAW, P.C.
Counsel for Plaintiff (Class Counsel)

Approved as to Form Only:

Date 09 / 30 / 2026

Richard Rahm

Richard Rahm
09/30/2026 16:18:37 UTC-7

Richard H. Rahm
Trinity E. Taylor Patel
OGLETREE, DEAKINS, NASH,
SMOAK & STEWART, P.C.
Counsel for Defendant

EXHIBIT A



Superior Court of California of Alameda County

Augustine Barry v Pareto Inc. d/b/a Pareto AI, et. al.

Case No. 25CV117381

Notice of Class Action Settlement

Authorized by the Superior Court of Alameda County

Do you or did you work for Pareto AI and reside in California between January 6, 2021 through May 4, 2025?

There is a proposed settlement of a class action and representative lawsuit.

You may be a class member and entitled to money.

If you want to be part of the proposed settlement, you do not need to do anything.

If not, you need to opt out by [date].

Read This Notice.

If you worked for Pareto Inc. d/b/a Pareto AI and resided in California between January 6, 2021 through May 4, 2025, there is a settlement of a proposed class action and a Private Attorneys General Act ("PAGA") representative action. Your rights may be affected by the legal proceedings in this Lawsuit. You may also be entitled to receive a payment under the terms of the Settlement.

Important things to know:

- If you take no action, you will still be bound by the case, and your rights will be affected.
- You can learn more at: [website]

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About This Notice

Why did I get this notice?

This notice advises you of the proposed settlement of a class and PAGA representative action lawsuit titled *Barry v. Pareto Inc. d/b/a Pareto AI and Phoebe Yao* brought for people who worked for Pareto Inc. d/b/a Pareto AI (“Defendant”) in California between January 6, 2021 through May 4, 2025, who worked in the Settlement Class as defined in the section below.

You received this notice because Defendant’s records indicate you are a member of the Settlement Class.

This notice gives you a summary of the terms of the proposed agreement and explains your rights.

What is the Settlement Class?

This settlement involves AI Trainers and AI Labelers. The “Settlement Class” is defined as follows: all workers who provided project-based expert consultant services to Defendant Pareto for purposes of training and quality assuring AI models, and who resided in California and worked for Defendant Pareto from January 6, 2021, to May 4, 2025.

What do I do next?

Options	What each option means:
1. Do Nothing and Participate in the Settlement	Subject to the Court’s approval, you will automatically receive your full settlement payment from the Settlement Administrator, and in exchange you will release Defendant’s from any of the claims covered by the settlement.
2. Opt-Out	You can opt-out of (or exclude yourself from) the class portion of the Settlement by sending the Administrator a written Request for Exclusion by [INSERT DATE] . If you wish to opt-out, please refer to the section entitled “Opt Out and Exclude Yourself from the Settlement” in this notice for more information.

	Please note: You <u>cannot</u> exclude yourself or “opt-out” of the PAGA portion of the Settlement.
3. Object	You can object to the settlement by submitting an objection to the Administrator by [INSERT DATE] . If you wish to object, please refer to the section entitled “Object to Settlement” in this notice for more information.

Do I have a lawyer in this lawsuit?

In a class action, the court appoints class representatives and lawyers to work on the case and represent the interests of all the class members. For this case, the Court has appointed the following lawyers:

Your Lawyers: Daniel Valles and Kayla Rathjen of Valles Law, P.C. These are the lawyers who are bringing this case on your behalf. **You will not be charged for their services**, although their fees may be paid with the court's approval from any settlement that they negotiate for the class.

If you want to be represented by your own lawyer, you may hire one at your own expense.

Learning About the Lawsuit

What is this lawsuit about?

Plaintiff Augustine Barry (“Plaintiff”) filed a lawsuit alleging Defendant violated various California wage and hour laws related to payment of wages, meal and rest periods, accurate wage statements, business expenses, denial of sick time, unfair competition, and penalties pursuant to PAGA.

The Court has not ruled on the merits of Plaintiff’s factual or legal allegations in the Lawsuit. Defendant denies the factual and legal allegations in the Lawsuit and believes it has complied with California law or has valid defenses. Defendant is not admitting liability or that any of Plaintiff’s claims can proceed on a class or PAGA basis.

Where can I learn more?

You can get a complete copy of the key documents in this lawsuit by visiting:
[website]

Why is there a settlement in this lawsuit?

After considering the risks, expenses, and inconvenience of litigation, Defendant and Plaintiff have concluded that it is in their best interests and the interests of the Class Members to settle the Lawsuit on the terms summarized in this Notice. The Settlement was reached following arm's length mediations with a respected and experienced mediator after the Parties exchanged extensive information. By approving the Settlement and issuing this Notice, the Court is not suggesting which party would win or lose this case if it went to trial.

What happens next in this lawsuit?

The Court will hold a Fairness Hearing to decide whether to approve the proposed settlement as follows:

Where: Alameda County Superior Court, 1225 Fallon Street, Oakland, California 94612

When: [time] on [date].

The Court has directed the parties to send you this notice about the proposed settlement because it affects your legal rights. Payments will only be made if the Court approves the settlement.

You do not have to attend the hearing, but you may do so at your own expense. You do not need to submit a written objection to appear at the Final Approval Hearing. If the Court does not approve the settlement or the parties decide to end it, it will not take effect and the lawsuit will continue. The date of the hearing may change without further notice to members of the class. To learn more and confirm the hearing date, go to [website].

About the Settlement

Key Settlement Terms

On [PA DATE], the Court certified the Settlement Class for settlement purposes only. Those who do not opt out will be mailed Settlement checks, bound by the settlement, and release claims against Defendant.

Without admitting any wrongdoing, Defendant has agreed to pay \$550,000 to resolve all claims in the Lawsuit ("Gross Settlement Amount") as follows:

1) *Service Payment to Class Representative* – up to \$15,000. The Class Representative also will receive his individual share of the Settlement as a Class Member.

2) *Class Counsel's Attorneys' Fees and Costs* – \$183,333.33 comprised of (a) one third (1/3) of the Gross Settlement Amount for Class Counsel's attorneys' fees; and (b) \$25,000 for Class Counsel's costs.

3) *Settlement Administration Costs* – up to \$11,350.

4) *PAGA Penalties* - \$20,000 total with \$13,000 paid to the Labor and Workforce Development Agency and \$7,000 allocated to the PAGA Settlement Group Members.

5) *Settlement Payments to Class Members* – The Net Class Settlement Amount will total approximately \$320,316.67 and be allocated to Class Members based weeks worked during the class period.

6) *Wage Allocation and Taxes*. Ten percent (10%) of the Settlement Payment distributed will be considered and reported as wages (Form W-2 reporting). The remaining ninety percent (90%) will be considered and reported as interest and penalties (Form 1099 reporting).

7) *Conditions of Settlement*. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of judgment.

The full terms of the release can be found [Administrator's Website].

How much will my payment be?

You are estimated to receive \$_____ (less applicable withholdings) for the class portion of the Settlement, and \$_____ for the PAGA portion of the Settlement.

The above estimates are based on Defendant's records showing that you worked _____ workweeks during the Class Period (between January 6, 2021 through May 4, 2025, and you worked _____ workweeks during the PAGA Period (between January 6, 2024, to May 4, 2025).

If you disagree with the numbers above, you may submit evidence to the Settlement Administrator on or before [INSERT DATE], to establish the number of Workweeks you claim to have worked for WalkMe, Inc. in California during the relevant periods.

DO NOT SEND ORIGINALS AS DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.

The Parties will evaluate the evidence you submit, however, Defendant's records shall presumptively control. If the Parties do not agree, the dispute will be submitted to the Court.

Settlement Options

What are my options?

1. Do Nothing and Participate in the Settlement

Under the Settlement, you will automatically receive a full settlement payment unless you exclude yourself from the class portion of the Settlement by following the exclusion procedure set forth below. If you disagree with the number of Workweeks credited, as described in this Notice, you may dispute the allocation of the Settlement without excluding yourself or objecting.

You will need to promptly cash your payment check when you receive

it. The front of every check issued will show the date when the check expires (the void date). If you don't cash it by the void date, the money will be sent to the Controller's Unclaimed Property Fund in your name and you would need to consult the rules of the fund for instructions on how to retrieve your money.

2. Opt Out from the Settlement

You may opt-out (exclude yourself) from the Class Settlement by sending the Settlement Administrator a "Request for Exclusion from the Class Claims in the Class Action Settlement" letter/card postmarked no later than, [INSERT DATE] with your full name, address, telephone number, last four digits of your social security number, and signature.

The Request for Exclusion should state:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE BARRY v PARETO, INC. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS ACTION PORTION OF THIS LAWSUIT."

Send the Request for Exclusion directly to the Settlement Administrator, [ADDRESS], [FAX] postmarked (or, if sent by fax, transmitted and received), or emailed to: [settlement admin's email address] no later than [INSERT DATE]. Any person who files a timely and valid Request for Exclusion from the Class Action Settlement: (1) will not have any rights under this Settlement with respect to the class portion of the Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive any money for the class portion of this Settlement; and (3) will not be bound by this Settlement, or the Judgment, with respect to the class portion of the Settlement.

You cannot opt out of the PAGA portion of the settlement. You will still be bound by this Settlement with respect to the release of the PAGA Claims regardless of whether you opt out.

3. Object to Settlement

You have the right to object to the terms of the class portion of the Settlement. However, if the Court rejects your objection, you will still be

bound by the terms of the Settlement.

You may object by submitting a written objection. In order to assist with identifying you and your specific objection, the following information should be contained in your objections: (1) your full name, address, and telephone number, (2) the last four digits of your social security number, (3) your dates of employment with Pareto, Inc., (4) the case name and number, (5) the name and address of your attorney(s) if you are represented, (6) your signature, and (7) each specific reason in support of your objection. You should also include any documentation or evidence in support of the objection, if any.

Objections must be in writing and sent to the Settlement Administrator, [ADDRESS], [FAX], [EMAIL] before the Fairness Hearing date [INSERT FAIRNESS HEARING DATE]. Objections that are not submitted timely, may not be considered by the Court.

If you object to the Settlement, you will remain a Class Member, and if the Court approves the Settlement, you will be bound by the terms of the Settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

You need not object to the Settlement if you only dispute the number of Workweeks credited. Instead, you may submit evidence to the Settlement Administrator as described under the section of this notice entitled "How much will my payment be?"

Key Resources

How do I get more information?

This notice is a summary of the proposed settlement. The complete settlement agreement with all of its items can be found at the case website listed below.

To get a copy of the Settlement Agreement or to get answers to your questions:

- visit the case website at [website];
- email or call the settlement administrator (information below);
- contact the lawyers who represent the class (information below); or
- Access the Court's system at <https://www.alameda.courts.ca.gov> or by visiting the office of the Clerk for the Alameda County Superior Court at the address below between 8:30 a.m. and 5:00 p.m., Monday through Friday (excluding Court holidays). To access the case file for this Lawsuit, go the website, click on "e-Court Public Portal" under the "Online Services" section then click on "searches" the "case number search" to search for court records, and type in the Lawsuit Case Number 25CV117381. Note you will need to create a "user account" to access documents through the Court's e-Court Public Portal, which you can do by clicking the "create new account" button then clicking "public users."

Resource	Case Information
Case website	[website]
Class Administrator	Apex Class Action Administration info@apexclassaction.com 18 Technology Drive, Suite 154 Irvine, CA 92618 (800) 355-0700
Your Lawyers	Daniel Valles (dan@valles.law) Kayla Rathjen (kayla@valles.law) Valles Law, P.C. 1230 Rosecrans Ave., Ste. 300 Manhattan Beach, CA 90266 Phone: (415) 234-0065

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EXHIBIT B



Superior Court of California of Alameda County

Augustine Barry v Pareto Inc. d/b/a Pareto AI, et. al.

Case No. 25CV117381

Notice of Class Action Settlement

Authorized by the Superior Court of Alameda County

Do you or did you work for Pareto AI and reside in California between January 6, 2021 through May 4, 2025?

There is a proposed settlement of a class action and representative lawsuit.

You may be a class member and entitled to money.

If you want to be part of the proposed settlement, you do not need to do anything.

If not, you need to opt out by [date].

Read This Notice.

If you worked for Pareto Inc. d/b/a Pareto AI and resided in California between January 6, 2021 through May 4, 2025, there is a settlement of a proposed class action and a Private Attorneys General Act ("PAGA") representative action. Your rights may be affected by the legal proceedings in this Lawsuit. You may also be entitled to receive a payment under the terms of the Settlement.

Important things to know:

- If you take no action, you will still be bound by the case, and your rights will be affected.
- You can learn more at: [website]

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About This Notice

Why did I get this notice?

This notice advises you of the proposed settlement of a class and PAGA representative action lawsuit titled *Barry v. Pareto Inc. d/b/a Pareto AI and Phoebe Yao* brought for people who worked for Pareto Inc. d/b/a Pareto AI (“Defendant”) in California between January 6, 2021 through May 4, 2025, who worked in the Settlement Class as defined in the section below.

You received this notice because Defendant’s records indicate you are a member of the Settlement Class.

This notice gives you a summary of the terms of the proposed agreement and explains your rights.

What is the Settlement Class?

This settlement involves AI Trainers and AI Labelers. The “Settlement Class” is defined as follows: all workers who provided project-based expert consultant services to Defendant Pareto for purposes of training and quality assuring AI models, and who resided in California and worked for Defendant Pareto from January 6, 2021, to May 4, 2025.

What do I do next?

Options	What each option means:
1. Do Nothing and Participate in the Settlement	Subject to the Court’s approval, you will automatically receive your full settlement payment from the Settlement Administrator, and in exchange you will release Defendant’s from any of the claims covered by the settlement.
2. Opt-Out	You can opt-out of (or exclude yourself from) the class portion of the Settlement by sending the Administrator a written Request for Exclusion by [INSERT DATE] . If you wish to opt-out, please refer to the section entitled “Opt Out and Exclude Yourself from the Settlement” in this notice for more information.

	Please note: You <u>cannot</u> exclude yourself or “opt-out” of the PAGA portion of the Settlement.
3. Object	You can object to the settlement by submitting an objection to the Administrator by [INSERT DATE] . If you wish to object, please refer to the section entitled “Object to Settlement” in this notice for more information.

Do I have a lawyer in this lawsuit?

In a class action, the court appoints class representatives and lawyers to work on the case and represent the interests of all the class members. For this case, the Court has appointed the following lawyers:

Your Lawyers: Daniel Valles and Kayla Rathjen of Valles Law, P.C. These are the lawyers who are bringing this case on your behalf. **You will not be charged for their services**, although their fees may be paid with the court's approval from any settlement that they negotiate for the class.

If you want to be represented by your own lawyer, you may hire one at your own expense.

Learning About the Lawsuit

What is this lawsuit about?

Plaintiff Augustine Barry (“Plaintiff”) filed a lawsuit alleging Defendant violated various California wage and hour laws related to payment of wages, meal and rest periods, accurate wage statements, business expenses, denial of sick time, unfair competition, and penalties pursuant to PAGA.

The Court has not ruled on the merits of Plaintiff’s factual or legal allegations in the Lawsuit. Defendant denies the factual and legal allegations in the Lawsuit and believes it has complied with California law or has valid defenses. Defendant is not admitting liability or that any of Plaintiff’s claims can proceed on a class or PAGA basis.

Where can I learn more?

You can get a complete copy of the key documents in this lawsuit by visiting:
[website]

Why is there a settlement in this lawsuit?

After considering the risks, expenses, and inconvenience of litigation, Defendant and Plaintiff have concluded that it is in their best interests and the interests of the Class Members to settle the Lawsuit on the terms summarized in this Notice. The Settlement was reached following arm's length mediations with a respected and experienced mediator after the Parties exchanged extensive information. By approving the Settlement and issuing this Notice, the Court is not suggesting which party would win or lose this case if it went to trial.

What happens next in this lawsuit?

The Court will hold a Fairness Hearing to decide whether to approve the proposed settlement as follows:

Where: Alameda County Superior Court, 1225 Fallon Street, Oakland, California 94612

When: [time] on [date].

The Court has directed the parties to send you this notice about the proposed settlement because it affects your legal rights. Payments will only be made if the Court approves the settlement.

You do not have to attend the hearing, but you may do so at your own expense. You do not need to submit a written objection to appear at the Final Approval Hearing. If the Court does not approve the settlement or the parties decide to end it, it will not take effect and the lawsuit will continue. The date of the hearing may change without further notice to members of the class. To learn more and confirm the hearing date, go to [website].

About the Settlement

Key Settlement Terms

On [PA DATE], the Court certified the Settlement Class for settlement purposes only. Those who do not opt out will be mailed Settlement checks, bound by the settlement, and release claims against Defendant.

Without admitting any wrongdoing, Defendant has agreed to pay \$550,000 to resolve all claims in the Lawsuit ("Gross Settlement Amount") as follows:

1) *Service Payment to Class Representative* – up to \$15,000. The Class Representative also will receive his individual share of the Settlement as a Class Member.

2) *Class Counsel's Attorneys' Fees and Costs* – \$183,333.33 comprised of (a) one third (1/3) of the Gross Settlement Amount for Class Counsel's attorneys' fees; and (b) \$25,000 for Class Counsel's costs.

3) *Settlement Administration Costs* – up to \$11,350.

4) *PAGA Penalties* - \$20,000 total with \$13,000 paid to the Labor and Workforce Development Agency and \$7,000 allocated to the PAGA Settlement Group Members.

5) *Settlement Payments to Class Members* – The Net Class Settlement Amount will total approximately \$320,316.67 and be allocated to Class Members based weeks worked during the class period.

6) *Wage Allocation and Taxes*. Ten percent (10%) of the Settlement Payment distributed will be considered and reported as wages (Form W-2 reporting). The remaining ninety percent (90%) will be considered and reported as interest and penalties (Form 1099 reporting).

7) *Conditions of Settlement*. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of judgment.

The full terms of the release can be found [Administrator's Website].

How much will my payment be?

You are estimated to receive \$_____ (less applicable withholdings) for the class portion of the Settlement, and \$_____ for the PAGA portion of the Settlement.

The above estimates are based on Defendant's records showing that you worked _____ workweeks during the Class Period (between January 6, 2021 through May 4, 2025, and you worked _____ workweeks during the PAGA Period (between January 6, 2024, to May 4, 2025).

If you disagree with the numbers above, you may submit evidence to the Settlement Administrator on or before [INSERT DATE], to establish the number of Workweeks you claim to have worked for WalkMe, Inc. in California during the relevant periods.

DO NOT SEND ORIGINALS AS DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.

The Parties will evaluate the evidence you submit, however, Defendant's records shall presumptively control. If the Parties do not agree, the dispute will be submitted to the Court.

Settlement Options

What are my options?

1. Do Nothing and Participate in the Settlement

Under the Settlement, you will automatically receive a full settlement payment unless you exclude yourself from the class portion of the Settlement by following the exclusion procedure set forth below. If you disagree with the number of Workweeks credited, as described in this Notice, you may dispute the allocation of the Settlement without excluding yourself or objecting.

You will need to promptly cash your payment check when you receive

it. The front of every check issued will show the date when the check expires (the void date). If you don't cash it by the void date, the money will be sent to the Controller's Unclaimed Property Fund in your name and you would need to consult the rules of the fund for instructions on how to retrieve your money.

2. Opt Out from the Settlement

You may opt-out (exclude yourself) from the Class Settlement by sending the Settlement Administrator a "Request for Exclusion from the Class Claims in the Class Action Settlement" letter/card postmarked no later than, [INSERT DATE] with your full name, address, telephone number, last four digits of your social security number, and signature.

The Request for Exclusion should state:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE BARRY v PARETO, INC. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS ACTION PORTION OF THIS LAWSUIT."

Send the Request for Exclusion directly to the Settlement Administrator, [ADDRESS], [FAX] postmarked (or, if sent by fax, transmitted and received), or emailed to: [settlement admin's email address] no later than [INSERT DATE]. Any person who files a timely and valid Request for Exclusion from the Class Action Settlement: (1) will not have any rights under this Settlement with respect to the class portion of the Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive any money for the class portion of this Settlement; and (3) will not be bound by this Settlement, or the Judgment, with respect to the class portion of the Settlement.

You cannot opt out of the PAGA portion of the settlement. You will still be bound by this Settlement with respect to the release of the PAGA Claims regardless of whether you opt out.

3. Object to Settlement

You have the right to object to the terms of the class portion of the Settlement. However, if the Court rejects your objection, you will still be

bound by the terms of the Settlement.

You may object by submitting a written objection. In order to assist with identifying you and your specific objection, the following information should be contained in your objections: (1) your full name, address, and telephone number, (2) the last four digits of your social security number, (3) your dates of employment with Pareto, Inc., (4) the case name and number, (5) the name and address of your attorney(s) if you are represented, (6) your signature, and (7) each specific reason in support of your objection. You should also include any documentation or evidence in support of the objection, if any.

Objections must be in writing and sent to the Settlement Administrator, [ADDRESS], [FAX], [EMAIL] before the Fairness Hearing date [INSERT FAIRNESS HEARING DATE]. Objections that are not submitted timely, may not be considered by the Court.

If you object to the Settlement, you will remain a Class Member, and if the Court approves the Settlement, you will be bound by the terms of the Settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

You need not object to the Settlement if you only dispute the number of Workweeks credited. Instead, you may submit evidence to the Settlement Administrator as described under the section of this notice entitled "How much will my payment be?"

Key Resources

How do I get more information?

This notice is a summary of the proposed settlement. The complete settlement agreement with all of its items can be found at the case website listed below.

To get a copy of the Settlement Agreement or to get answers to your questions:

- visit the case website at [website];
- email or call the settlement administrator (information below);
- contact the lawyers who represent the class (information below); or
- Access the Court's system at <https://www.alameda.courts.ca.gov> or by visiting the office of the Clerk for the Alameda County Superior Court at the address below between 8:30 a.m. and 5:00 p.m., Monday through Friday (excluding Court holidays). To access the case file for this Lawsuit, go the website, click on "e-Court Public Portal" under the "Online Services" section then click on "searches" the "case number search" to search for court records, and type in the Lawsuit Case Number 25CV117381. Note you will need to create a "user account" to access documents through the Court's e-Court Public Portal, which you can do by clicking the "create new account" button then clicking "public users."

Resource	Case Information
Case website	[website]
Class Administrator	Apex Class Action Administration info@apexclassaction.com 18 Technology Drive, Suite 154 Irvine, CA 92618 (800) 355-0700
Your Lawyers	Daniel Valles (dan@valles.law) Kayla Rathjen (kayla@valles.law) Valles Law, P.C. 1230 Rosecrans Ave., Ste. 300 Manhattan Beach, CA 90266 Phone: (415) 234-0065

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EXHIBIT C



Daniel Valles <dan@valles.law>

Thank you for your Proposed Settlement Submission

1 message

no-reply@formassembly.com <no-reply@formassembly.com>

Wed, Sep 30, 2026 at 4:44 PM

To: dan@valles.law

09/30/2026 04:43:50 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 09/30/2026 04:43:50 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1071119-25

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm