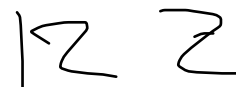


PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Raul Zaragoza (“Plaintiff”) and Defendant AKM Oil Co., Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1 DEFINITIONS.

- 1.1 “Action” or “Operative Complaint” means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendant captioned *Raul Zaragoza v. AKM Oil Co., Inc. et al.*, initiated on November 10, 2022 and pending in Superior Court of the State of California, County of Los Angeles, Case No. 22STCV35779.
- 1.2 “Administrator” means ILYM, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4 “Aggrieved Employee(s)” means all hourly current and former employees including but not limited to those employees who were classified by Defendant as a contractor and performed work as a technician for Defendant in California during the PAGA Period.
- 1.5 “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6 “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7 “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.8 “Court” means the Superior Court of California, County of Los Angeles.
- 1.9 “Defense Counsel” means Beth Kahn and Matthew Richardson, Musick, Peeler & Garrett, LLP.
- 1.10 “Effective Date” The date on which the Final Award becomes final. For purposes of this Section, the Final Award “becomes final” only after the Court grants the Motion for Final Approval and upon service of the Notice of Entry of Order and/or Judgment, and upon the latter of: (i) if no appeal is filed, the expiration

A handwritten signature in black ink, appearing to be 'RZ' followed by a stylized flourish.

date of the time for the filing or noticing of any appeal from, or other challenge to, the Order Granting Final Approval and/or Judgment (this time period shall not be less than sixty (60) calendar days after the Court's Order is entered); (ii) the date of affirmance of an appeal of the Order Granting Final Approval and/or Judgment becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting Final Approval and/or Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Final Approval and/or Judgment.

- 1.11 "Gross Settlement Amount" means \$150,000.00 which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, payment of Plaintiff's Representative Service Award, and the Administrator's Expenses Payment.
- 1.12 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.13 "Judgment" means the judgment entered by the Court based upon the Court's approval of the settlement.
- 1.14 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.15 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.16 "Net Settlement Amount" means the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts (subject to Court approval) are subtracted from the Gross Settlement Amount: (a) PAGA Counsel Fees Payment up to forty percent (40%) of the Gross Settlement Amount, currently estimated at \$60,000.00; (b) PAGA Counsel Litigation Expenses Payment up to \$20,000.00; (c) Plaintiff's Class Representative Service Award of up to \$5,000.00 and the Administration Expenses Payment.
- 1.17 "Notice of PAGA Settlement" means the letter, substantially similar to the form attached hereto as Exhibit A, explaining the Settlement to the Aggrieved Employees, which will accompany each settlement check.
- 1.18 "PAGA Counsel" means Liliuokalani Martin, Esq. and Michael Juarez-Munoz, Esq. of Downtown LA Law Group, LLP, the attorneys currently representing the Plaintiff in the Action.
- 1.19 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of



reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

- 1.20 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.21 "PAGA Period" means the period from September 6, 2021 to March 1, 2024.
- 1.22 "PAGA" means the Private Attorneys General Act of 2004 (Labor Code §§ 2698. et seq.).
- 1.23 "PAGA Notice" means Plaintiff's June 9, 2022 letter to the LWDA, LWDA No. LWDA-CM-888340-22, providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.24 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$15,000.00, and the 75% to LWDA (\$45,000.00) in settlement of PAGA claims.
- 1.25 "Plaintiff" means Raul Zaragoza, the named plaintiff in the Action.
- 1.26 "Released PAGA Claims" means the claims being released by Plaintiff, Aggrieved Employees, State of California and PAGA Counsel and as described in Paragraph 5 below.
- 1.27 "Released Parties" means: Paola Alfaro, Defendant and each of their past, present, and future parents, subsidiaries, affiliated companies, agents, managing agents, employees, servants, officers, directors, owners (whether direct or indirect), general partners, limited partners, trustees, representatives, shareholders, stockholders, members, franchisors, mortgagees or ground lessors, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and/or alleged joint employers, temporary staffing agencies, dual employers, potential and/or alleged dual employers, co-employers, potential and/or alleged co-employers, common law employers, contractors, affiliates, service providers, alter-egos, potential and/or alleged alter-egos, vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint liability, and all of their respective past, present and future employees, directors, officers, members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, and assigns and any and all persons and/or entities acting under, by, through or in concert with any of them.
- 1.28 "Representative" means the named Plaintiff in the Action seeking Court approval to serve as a Representative for the Aggrieved Employees.
- 1.29 "Representative Service Award" means the payment to the Representative for initiating the Action and providing services in support of the Action.

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

1.31 “Defendant” means named Defendant AKM Oil Co., Inc.

2 **RECITALS.**

2.1 On November 10, 2022, Plaintiff commenced this Action by filing a Complaint seeking penalties against Defendant AKM Oil Co., Inc. pursuant to the Private Attorneys General Act, Cal. Labor Code §§ 2698 et seq. (“PAGA”) for Defendant’s alleged violations of California employment law; including, but not limited to discrimination, harassment, retaliation, failure to prevent harassment and retaliation, failure to engage in the interactive process, failure to provide compliant meal and rest periods, failure to pay wages immediately upon termination, waiting time penalties, wrongful termination, unfair competition and penalties under the Private Attorney General Action of 2004. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to the LWDA by sending the PAGA Notice.

2.3 On February 9, 2024, the Parties participated in a mediation with Bongiovi Mediation, which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiff obtained, through informal discovery, a 32% sampling of employees’ time and wage records, the number of Aggrieved Employees and applicable pay periods.

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

3 **MONETARY TERMS.**

3.1 Gross Settlement Amount. Defendant promises to pay \$150,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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 Approval Order:

- 3.2.1 To Plaintiff: Representative Service Award to the Plaintiff as Representative for the Aggrieved Employees of not more than \$5,000 (in addition to any Individual PAGA Payment the Plaintiff is entitled to receive). Defendant will not oppose Plaintiff's request for a Representative Service Award that does not exceed the amount of \$5,000. As part of the motion for PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, Plaintiff will seek Court approval for any Representative Service Award no later than 16 court days prior to the Final Approval Hearing or other deadline set by the Court. If the Court approves a Representative Service Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Representative Service Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for taxes owed on the Representative Service Award.
- 3.2.2 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 40% which is currently estimated to be \$60,000.00 and PAGA Counsel Litigation Expenses Payment of not more than 20,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Approval, including for approval of Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3 To the Administrator: An Administration Expenses Payment not to exceed \$5,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$5,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

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3.2.4 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$60,000.00 to be paid from the Gross Settlement Amount, with 75% (\$45,000.00) allocated to the LWDA PAGA Payment and 25% (\$15,000.00), allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS I099 Forms.

4 SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records at the time of mediation, Defendant estimates there were 600 PAGA Pay Periods.

4.2 Aggrieved Employee Data. Within 30 days after the Approval Order, Defendant will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee's privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. The Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 21 business days after the Effective Date.

- 4.4 Payments from the Gross Settlement Amount. Within 14 business days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Expenses Payment and Plaintiff's Representative Service Award. Disbursement of the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.
- 4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2 The distribution of Individual PAGA Payments shall be accompanied by the Notice of PAGA Settlement
- 4.4.3 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.
- 4.4.4 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.
- 4.4.5 The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

- 5 **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, State of California, Aggrieved Employees, and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Release by Plaintiff, State of California and Aggrieved Employees:

The State of California and all Aggrieved Employees, including Plaintiff, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and/or the PAGA Notice, including, but not limited to failure to pay minimum and overtime wages, failure to provide compliant meal and rest periods, inaccurate wage statements, failure to maintain complete and accurate time records, untimely payment of wages, failure to pay wages at termination, waiting time penalties, requiring execution of release as condition of being paid, failure to keep accurate records of hours worked, failure to reimburse expenses, retaliation, unfair competition, failure to provide notice pursuant to CA Labor Code section 2810.5, failure to provide paid sick leave, failure to pay wages for unused vested vacation time, unfair competition, Labor Code sections 98.6, 201, 202, 203, 206.5, 210, 221, 226, 226.3, 226.7, 226.8, 227.3, 246, 248.5, 510, 512, 558, 558.1 1102.5, 1174, 1182.12, 1194, 1194.2, 1197, 2810.5, 2698, 2699 *et seq.*, 2802 and 2810.5, Business & Professions Code section 17200, *et seq.*, California Code of Regulations, Title 8, section 11070, and the applicable Industrial Welfare Commission Orders. Plaintiff and the Aggrieved Employees shall be deemed to have acknowledged and agreed that their claims in this Action are disputed, and that the payments to them set forth in this Agreement constitute payment of all sums allegedly due to them.

- 5.1.2 Additional Release by Plaintiff. Additionally, as a condition of receiving Plaintiff's Representative Service Award, Plaintiff agrees to promptly initiate and seek the full dismissal, withdrawal and/or closure of all claims, grievances, charges or causes of action now pending against Defendant, in any forum, including but not limited to union, administrative or judicial forum and/or under any collective bargaining agreement, with the exception of those claims(s) in the Action, which are subject to the Agreement, and will be disposed of in accordance with the terms and conditions of the Agreement and related court orders. To the full extent permitted by law, Plaintiff irrevocably and absolutely agrees that Plaintiff will not prosecute nor allow to be prosecuted on Plaintiff's behalf, in any administrative agency, whether federal or state, or in any court, whether federal or state, any claim or demand of any type related to the matters released above, it being the intention of the Parties that with the execution by Plaintiff of this release, Defendant and all of the Released Parties will be absolutely, unconditionally and forever discharged of and from all obligations to or on behalf of Plaintiff related in any way to the matters discharged herein. Plaintiff represents and warrants that, as of the date

Plaintiff signs this Agreement, Plaintiff has no charges, complaints, filings, claims or lawsuits of any kind pending against Defendant or any of the Released Parties other than the Action. Plaintiff will not directly or indirectly participate, assist or cooperate in any lawsuit or complaint in a court of law against the Released Parties, including any class and/or representative action, with the exception of the Action which is subject to this Agreement, unless and to the extent required or compelled by law. Plaintiff also covenants and agrees that, to the full extent permitted by law, Plaintiff hereby waives and releases any and all rights or claims Plaintiff may have to any proceeds or awards to which Plaintiff may be entitled under any claims brought on Plaintiff's behalf against any of the Released Parties by any other person or entity. Nothing in this Agreement will prohibit Plaintiff from (a) complying with any valid subpoena or court order, or (b) cooperating with any official investigation conducted by a government or law enforcement agency.

5.2 Release by PAGA Counsel:

PAGA Counsel release on behalf of themselves and their respective present and former representatives, attorneys, heirs, administrators, employees, agents, successors and assigns, the Released Parties from all claims for attorneys' fees and costs incurred in connection with or any way related to, the Action, the facts stated in the Operative Complaint, and the PAGA Notice, except for the right to enforce the provisions of settlement providing for fees and costs.

6 **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

- 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel, for Defense Counsel's review and approval, a Motion for Final Approval of PAGA Settlement, including all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Approval Order granting approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall

aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel is responsible for finalizing and filing the application or motion for approval of this Settlement and, if necessary, obtaining a hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Order Granting Approval of PAGA Settlement to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to try to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously attempt to work together on behalf of the Parties by meeting in person or by telephone, and in good faith, try to modify the Agreement and otherwise satisfy the Court's concerns.

7 SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected ILYM to serve as the Administrator and verified that, as a condition of appointment, ILYM agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 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.

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8 **NULLIFICATION OF AGREEMENT.** In the event: (i) the Court does not enter the Approval Order and approve the Released PAGA Claims specified herein; or (ii) the Settlement does not become final for any other reason, this Settlement Agreement shall be null and void. A reduction of the attorneys' fees and costs and the Plaintiff's Representative Service Award shall not be grounds for nullification of this Settlement. If the Settlement is nullified, any order or judgment entered by the Court in furtherance of this Agreement shall be treated as void from the beginning, and the provisions contained herein shall be of no force or effect, and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and any funds to be awarded under this Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this Agreement had not been executed, except that any fees already incurred by the settlement administrator shall be paid equally by both Parties.

9 **CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry of Judgment, the Court will retain jurisdiction pursuant to Code of Civil Procedure Sec. 664.6 over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and conditions of this Agreement and all terms and conditions are completed consistent with this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

9.2 **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 Aggrieved Employees), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and try to obtain approval of the Settlement 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 any payments to PAGA Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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10 ADDITIONAL PROVISIONS.

- 10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement or to support a defense of res judicata, collateral estoppel, release, or other theory of claim or issue preclusion or similar defense as to the claims being released in this PAGA Settlement Agreement).
- 10.2 Integrated Agreement. Upon execution by all Parties and their 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.
- 10.3 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.4 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.5 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.6 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

- 10.7 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.8 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.9 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.10 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.11 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, 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 Administrator discharges its obligation to pay out all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.
- 10.12 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.13 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.14 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Liliuokalani Martin, Esq.
lili@downtownlalaw.com



Michael Juarez-Munoz, Esq.
michael@downtownlalaw.com
Downtown LA Law Group, LLP
601 North Vermont Avenue
Los Angeles, CA 90004

To Defendant:

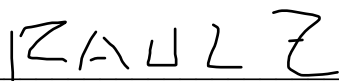
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b.kahn@musickpeeler.com
Matthew Richardson, Esq.
m.richardson@musickpeeler.com
MUSICK, PEELER & GARRETT LLP
333 South Hope Street, Suite 2900
Los Angeles, CA 90071

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

10.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

The Settlement Agreement consists of fifteen (14) pages.

Dated: 09/10/2024



Plaintiff Raul Zaragoza

Dated: _____

for:
Defendant AKM Oil Co., Inc.

