

SEYFARTH SHAW LLP
Daniel Whang (SBN 223451)
dwhang@seyfarth.com
2029 Century Park East, Suite 3500
Los Angeles, California 90067-3021
Telephone: (310) 277-7200
Facsimile: (310) 201-5219

SEYFARTH SHAW LLP
Gina Gi (SBN 266708)
ggi@seyfarth.com
601 South Figueroa Street, Suite 3300
Los Angeles, California 90017-5793
Telephone: (213) 270-9600
Facsimile: (213) 270-9601

Attorneys for Defendants
FLOOR AND DECOR OUTLETS OF AMERICA, INC.,
FLOOR & DECOR HOLDINGS, INC.

[ADDITIONAL COUNSEL INFORMATION ON
FOLLOWING PAGE]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

RAFAEL NAVARRO, as an aggrieved employee
pursuant to the Private Attorneys General Act
("PAGA"), on behalf of the State of California and
other non-party Aggrieved Employees,

Plaintiff,

v.

FLOOR AND DECOR OUTLETS OF
AMERICA, INC., a Delaware corporation;
FLOOR & DECOR HOLDINGS, INC., a
Delaware corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No. 22CV403852

HON. THEODORE C. ZAYNER
DEPT. 19

**SETTLEMENT AGREEMENT AND
RELEASE OF PAGA CLAIMS**

Complaint filed: September 30, 2022
Trial date: Not set

1 Robert Drexler (SBN 119119)
2 Robert.Drexler@CapstoneLawyers.com
3 Molly DeSario (SBN 230763)
4 Molly.DeSario@CapstoneLawyers.com
5 Jonathan Lee (SBN 267146)
6 Jonathan.Lee@CapstoneLawyers.com
7 Capstone Law APC
8 1875 Century Park East, Suite 100
9 Los Angeles, California 90067
10 Telephone: (310) 556-4811
11 Facsimile: (310) 943-0396

12 Attorneys for Plaintiff RAFAEL NAVARRO, as an
13 aggrieved employee pursuant to the Private Attorneys
14 General Act ("PAGA"), on behalf of the State of
15 California and other non-party Aggrieved Employees
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Plaintiff Rafael Navarro, on the one hand, and Defendant Floor and Decor Outlets of America, Inc. on the other hand, stipulate as follows:

SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIMS

Plaintiff Rafael Navarro, individually and in his capacity as a representative of the State of California on behalf of other aggrieved employees, and Defendant Floor and Decor Outlets of America, Inc. hereby enter into this Settlement Agreement and Release of Private Attorneys General Act of 2004 Claims (“**Settlement**”) as follows:

I. DEFINITIONS

As used in this Settlement, the following terms shall have the following meanings:

1. “**Action**” shall mean the civil action entitled *Rafael Navarro v. Floor and Decor Outlets of America, Inc., et al.*, filed in the Superior Court for the County of Santa Clara on or about September 30, 2022, designated as Case No. 22CV403852.

2. “**Defendant**” shall mean Floor and Decor Outlets of America, Inc.

3. “**Defense Counsel**” refers to Seyfarth Shaw LLP.

4. “**Effective Date**” refers to the date upon which both of the following have occurred: (i) approval of the PAGA Settlement is granted by the Superior Court for the State of California for the County of Santa Clara or other court assuming jurisdiction of this matter; and (ii) the Court’s Judgment approving the PAGA Settlement becomes Final. Final shall mean the latest of: (i) if there is an appeal of the Court’s Judgment, the date the Judgement is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the United States Supreme Court or California Supreme Court; (ii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the Judgment is affirmed pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Judgment. The settlement will be funded after the Effective Date.

5. “**LWDA**” refers to the California Labor & Workforce Development Agency.

6. “**PAGA**” refers to the Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*

7. **“PAGA Period”** shall mean July 26, 2021 to the earlier of March 5, 2024 or the date of approval of this Settlement.

8. **“PAGA Settlement Members”** shall mean all individuals employed in California by Defendant Floor and Decor Outlets of America, Inc. as non-exempt employees at any time during the PAGA Period.

9. **“Plaintiff”** refers to Rafael Navarro individually and in his capacity as a representative of the State of California on behalf of other aggrieved employees.

10. **“Plaintiff’s Counsel”** refers to the law firm of Capstone Law APC.

11. **“Parties”** collectively refers to Plaintiff and Defendant.

12. **“Released Claims”** shall mean any and all claims, whether known or unknown, to recover civil penalties pursuant to PAGA for any alleged violations of California Labor Code sections, including 201, 202, 203, 204, 206.5, 210, 221, 226(a), 226.7, 227.3, 246, 510, 512(a), 516, 558(a)(1)(2), 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802, 2810.5, and 2698 *et seq.*, and the applicable IWC Wage Order for the PAGA Period.

13. **“Released Parties”** shall mean Defendant Floor and Decor Outlets of America, Inc. and all of their past and present parents (including Floor & Decor Holdings, Inc.), subsidiaries, affiliates, predecessors, related entities, and all of their respective current or former employees, officers, directors, owners (whether direct or indirect), general partners, limited partners, trustees, representatives, shareholders, stockholders, members, successors, assigns, and agents.

14. **“Settlement Administrator”** refers to a qualified, third-party settlement administrator mutually selected by the Parties to administer the terms of the Settlement.

II. RECITALS

1. On July 26, 2022, Plaintiff’s Counsel sent a letter to the LWDA on behalf of Plaintiff, in compliance with California Labor Code section 2699.3. Plaintiff seeks to represent himself and all PAGA Settlement Members. More than 65 days passed after the letter was sent to the LWDA, and the LWDA did not indicate that it intended to investigate the alleged violations referenced in the letter.

2. On September 30, 2022, Plaintiff filed a complaint in Santa Clara County Superior Court, Case No. 22CV403852, asserting one cause of action pursuant to the PAGA, Labor Code sections 2698,

1 *et seq.*, premised on numerous underlying claims for wage and hour violations against Defendant, and
2 DOES 1 through 10, inclusive.

3 3. Counsel for all Parties have thoroughly investigated the facts relating to the claims
4 alleged in this Action, and have made a thorough study of the legal principles applicable to the claims
5 asserted against Defendant. Based on their investigation and evaluation of this case, Plaintiff's Counsel
6 have concluded that the settlement is fair, reasonable, and adequate in light of all known facts and
7 circumstances, including the defenses asserted by Defendant, potential adverse findings regarding
8 liability, and numerous potential appellate issues.

9 4. Defendant denies, and continue to denies, each and every claim and contention alleged in
10 the Action, and have always maintained that they never engaged in any unlawful acts regarding any of
11 the matters alleged in the Action.

12 **NOW, THEREFORE**, in consideration of the mutual covenants, promises, and conditions set
13 forth, the Parties agree as follows:

14 **III. NON-ADMISSION OF LIABILITY**

15 A. Based on the factual and legal issues involved, the expense and time necessary to
16 prosecute the Action through trial, the risks, uncertainty and costs of further prosecution, the difficulty
17 of proof necessary for purposes of liability, and the relative benefits to the PAGA Settlement Members
18 of an expeditious resolution to the Action, the Parties have concluded that the terms set forth in this
19 Settlement are fair, reasonable, adequate and in the best interests of the PAGA Settlement Members.

20 B. By entering into this Settlement, Defendant denies any liability for any of the claims in
21 the Action, as well as any other potential or unknown claims based on wage and hour violations under
22 state or federal law. Neither this Settlement, nor any document referred to or contemplated herein, nor
23 any action taken to carry out this Settlement, is, may be construed as, or may be used as, an admission,
24 concession, or indication by or against Defendant of any unlawful conduct, fault, wrongdoing or liability
25 whatsoever. Defendant specifically denies that it has engaged in any unlawful or wrongful conduct
26 against Plaintiff or the PAGA Settlement Members.

IV. TERMS OF THE PAGA SETTLEMENT

A. The Total Settlement Payment

Defendant shall pay a settlement payment in a total amount of One Million, Two Hundred Thousand Dollars (\$1,200,000) (the “**Total Settlement Payment**”). The Total Settlement Payment shall include Plaintiff’s Counsel Payment, the General Release Payment, Settlement Administration Costs, and the PAGA Fund as these terms are defined below.

B. Plaintiff’s Counsel Payment of Attorneys’ Fees and Costs

1. Plaintiff’s Counsel will apply to the Court for an award of attorneys’ fees of up to 33.3% of the Total Settlement Payment, or \$399,600 and reasonable litigation costs, not to exceed \$25,000 (“**Plaintiff’s Counsel Payment**”). Plaintiff’s Counsel will be responsible for submitting all documents to support their request for attorneys’ fees and costs.

2. Defendant will not oppose or object to Plaintiff’s Counsel’s application for attorneys’ fees, not to exceed 33.3% of the Total Settlement Payment plus all documented and reasonable litigation costs and expenses, not to exceed \$25,000.

3. In the event that the Court does not approve an award of attorneys’ fees equal to the requested amount, or the Court alters the payment methodology described herein, it will not be considered a material change of the Settlement and will not operate to terminate or cancel the agreement, and this Settlement will be enforceable.

4. The Plaintiff’s Counsel Payment shall be paid from the Total Settlement Payment. Any reductions by the Court of Plaintiff’s Counsel’s request for attorneys’ fees or costs shall revert to the PAGA Fund.

C. Plaintiff to File an Amended Complaint

As a condition of this settlement, Plaintiff’s counsel shall submit an amended PAGA letter to the LWDA for alleged: (1) unpaid minimum and overtime wages based on off-the-clock work including mandatory temperature checks and symptom questionnaires for COVID-19 prior to clocking in, in violation of Labor Code §§ 510, 1194, 1197, and 1197.1, (2) failure to reimburse business expenses, including, but not limited to, costs related to the use of personal cell phones for work, in violation of Labor Code § 2802, (3) failure to provide standard temperature conditions, including unreasonably hot

1 and cold conditions in the work place in violation of Labor Code §§ 1198 and the applicable Wage
2 Orders, (4) failure to pay sick pay at the correct regular rate of pay which caused an underpayment of
3 sick pay wages in violation of Labor Code §§ 201-204, 210, 233, and 246, and (5) unpaid accrued
4 vacation time and also file an amended complaint in the Action asserting the alleged violations.

5 **D. General Release Payment to Plaintiff**

6 1. Subject to Court approval, Defendant agrees to pay Plaintiff a General Release
7 Payment of up to Ten Thousand Dollars (\$10,000.00), to be paid from the Total Settlement Payment, as
8 an enhancement for his service as the PAGA representative and in exchange for a general release, as set
9 forth below, in addition to any payment he may otherwise receive as a PAGA Settlement Member
10 (“General Release Payment”).

11 2. Defendant will not oppose Plaintiff’s request for the General Release Payment.
12 Because the General Release Payment is intended to compensate Plaintiff for his service as a PAGA
13 representative and for a general release, and is not intended by the Parties to be wages, the Settlement
14 Administrator will issue the General Release Payment without any tax withholdings or deductions, and
15 will report the General Release Payment on an IRS Form 1099, which it will provide to Plaintiff and the
16 pertinent taxing authorities as required by law. Plaintiff agrees to assume the responsibility of remitting
17 to the Internal Revenue Service, the California Franchise Tax Board, and any other relevant taxing
18 authority the amounts required by law, if any, to be withheld from the General Release Payment, and
19 Plaintiff assumes all responsibility and liability for reporting and paying any taxes due on the General
20 Release Payment received by him. The Parties agree that a reduction by the Court of the requested
21 General Release Payment is not a basis for rendering the entire Settlement voidable or unenforceable.
22 Any reductions by the Court of the General Release Payment shall revert to the PAGA Fund.

23 3. Plaintiff shall not receive any additional payments or enhancements other than
24 those expressly provided under this Settlement.

25 **E. Settlement Administration Costs**

26 1. The cost of the Settlement Administrator to implement and complete the
27 settlement process according to the terms of this Settlement, including the costs to calculate payments to
28 individual PAGA Settlement Members and to prepare any necessary tax documents for PAGA

Settlement Members are referred to as the “**Settlement Administration Costs,**” and are estimated to be \$20,000.

F. PAGA Fund

1. After deducting Plaintiff’s Counsel Payment, the Settlement Administration Costs, and any court-approved General Release Payment, the remainder of the Total Settlement Payment shall be allocated toward payment to the Labor & Workforce Development Agency and PAGA Settlement Members (“**PAGA Fund**”).

2. Seventy-five percent (75%) of the PAGA Fund will be sent to the LWDA and twenty-five percent (25%) of the PAGA Fund will be allocated among the PAGA Settlement Members based on his or her proportionate share of the pay periods worked during the PAGA Period.

V. COMPUTATION AND DISTRIBUTION OF TOTAL SETTLEMENT FUND

A. Deposit of Total Settlement Payment

1. The Settlement Administrator shall establish a Qualified Settlement Fund pursuant to Section 468B(g) of the Internal Revenue Code for purposes of administering the Settlement. The Settlement Administrator shall furnish the Qualified Settlement Fund with its own Employer ID Number and calculate all settlement checks based on information that will be confidentially furnished by Defendant.

2. Within 21 days after the Effective Date, Defendant shall deposit the Total Settlement Payment with the Settlement Administrator.

B. Effect of Increase in Number of Pay Periods

This settlement is based on data provided by Defendant showing that members of the PAGA Group worked approximately 79,757 pay periods between July 26, 2021 and October 10, 2023. If it is determined that members of the PAGA Group worked more than 87,732 (79,757, plus 10% of 79,757) pay periods between July 26, 2021, and the end of the PAGA Period, the Gross Settlement Amount will be increased by the same number of percentage points above 10% by which the actual number of pay periods worked exceeds 87,732. For instance, if the actual number of pay periods worked between July 26, 2021, and the end of the PAGA Period is determined to be 11% higher than 79,757, the Gross Settlement Amount will be increased by 1%. In the alternative, in its discretion, Defendant may elect to

end the PAGA Period on the date the number of pay periods reached 87,732.

C. Formula for Calculating Share of PAGA Fund

The portion of the PAGA Fund that is paid to each PAGA Settlement Member shall be determined based on the following formula:

1. The payment to PAGA Settlement Members will be based on the number of pay periods worked by each PAGA Settlement Member during the PAGA Period. Partial weeks will be counted as full pay periods.

2. The amount to be paid per pay period worked by a PAGA Settlement Member will be calculated by dividing the value of the portion of the PAGA Fund that will be paid to PAGA Settlement Members by the total number of pay periods worked by all PAGA Settlement Members during the PAGA Period.

3. Defendant's records shall be determinative for purposes of calculating the number of pay periods worked and any payments to PAGA Settlement Members.

D. Distribution of PAGA Fund

1. Defendant shall provide the Settlement Administrator with a list of the names, last known addresses, dates of active employment with Defendant during the PAGA Period, and Social Security Numbers for the PAGA Settlement Members, to be furnished within thirty (30) days after the Court issues an Order approving the Settlement. This information is being provided confidentially to the Settlement Administrator only, and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the confidentiality of the information. This information is to be used only to carry out the Settlement Administrator's duties as specified in this Settlement.

2. Within twenty-eight (28) days after the Effective Date, the Settlement Administrator shall pay to the LWDA an amount equivalent to seventy-five percent (75%) of the PAGA Fund, or as otherwise directed by the Court.

3. Within twenty-eight (28) days after the Effective Date, the Settlement Administrator shall distribute to PAGA Settlement Members their individual portion of the PAGA Fund (the "**Individual Payment**"), or as otherwise directed by the Court.

4. To provide the best notice practicable, any Individual Payment returned to the Settlement Administrator as non-delivered shall be sent by post-marked First Class U.S. Mail to the forwarding address affixed thereto, if any. If no forwarding address is provided for an Individual Payment that is returned as non-deliverable, the Settlement Administrator shall use the best available technology accessible (e.g. skip tracing, address verification, etc.) to the Settlement Administrator or other mutually agreeable method to locate PAGA Settlement Members and will then mail the Individual Payment to the address identified by the best available technology accessible to the Settlement Administrator or other mutually agreeable method. If no current address is located, the Individual Payment for that individual will be deemed undeliverable. If any PAGA Settlement Members cannot be located within two attempts at mailings by the Settlement Administrator, the Individual Payment for that individual will be deemed undeliverable. The amount of any undeliverable checks will be void and sent to the State of California State Controller's Office in the PAGA Settlement Member's name. However, the PAGA Settlement Members whose checks were undeliverable will still have released the Released Claims. The Parties agree that this results in no unpaid residue under California Civil Procedure Code section 384, as the entire PAGA settlement payment will be paid out to the LWDA and PAGA Settlement Members. Therefore, Defendant will not be required to pay any interest on said amount.

5. The Settlement Administrator shall maintain a list of the postmark date for the original mailing of the Individual Payment to the PAGA Settlement Members, the postmark date of any subsequent mailing to any PAGA Settlement Members, and a list of PAGA Settlement Members who did not receive the Individual Payment due to the inability to locate a valid address using the procedures described herein or who otherwise could not be located within two attempts at mailing.

6. All settlement checks will remain valid and negotiable for 180 days from the date of their mailing by the Settlement Administrator. After 180 days from the date of their mailing by the Settlement Administrator, the dollar value of all checks that remain uncashed for more than 180 days will be void and sent to the State of California State Controller's Office in the PAGA Settlement Member's name. However, the PAGA Settlement Members who have not cashed their checks within 180 days from the date of their mailing will still have released the Released Claims. The failure by a PAGA Settlement Member to cash their settlement checks will have no effect on their release of the

Released Claims. The Parties agree that this results in no unpaid residue under California Civil Procedure Code section 384, as the entire PAGA settlement payment will be paid out to the LWDA and PAGA Settlement Members, whether or not the PAGA Settlement Members cash their settlement checks. Therefore, Defendant will not be required to pay any interest on said amount.

7. The Settlement Administrator will prepare and issue IRS Form 1099 to PAGA Settlement Members who received a payment.

E. Settlement Administration Cost Payment

Within twenty-eight (28) days after the Effective Date, Settlement Administrator shall pay the Settlement Administration Costs directly to the Settlement Administrator.

F. Plaintiff's Counsel Payment

Within twenty-eight (28) days after the Effective Date, Settlement Administrator shall pay the Plaintiff's Counsel Payment directly to Plaintiff's Counsel.

G. Plaintiff's General Release Payments

Within twenty-eight (28) days after the Effective Date, Settlement Administrator shall provide the General Release Payment directly to Plaintiff's Counsel for delivery to Plaintiff.

VI. CLAIMS RELEASED BY PAGA SETTLEMENT MEMBERS

A. Claims Released by The LWDA and All PAGA Settlement Members

Upon the date of funding of the Total Settlement Payment, the LWDA and PAGA Settlement Members, including Plaintiff, fully release and forever discharge the Released Parties from any and all Released Claims. As a result of this release, the PAGA Settlement Members will be unable to bring a claim for civil penalties under the California Private Attorneys General Act, California Labor Code §§ 2698 *et seq.*, for any violations of the Released Claims that took place during the PAGA Period.

B. Tax Treatment and Tax Indemnification

PAGA Settlement Members will assume any tax obligations or consequences which may arise from this Settlement. PAGA Settlement Members release any and all claims that they have or may have against Defendant for any claims, demands, deficiencies, levies, assessments, executions, judgments, penalties, taxes, indemnification, and any other recoveries related to any payments made under this Settlement or any compensation provided at any time by Defendant or any of the Released Parties. If

any state or federal taxing authority contacts, investigates, or pursues any action against any PAGA Settlement Members for their individual share of taxes related to any payments made under this Settlement or any compensation provided at any time by Defendant or any of the Released Parties, each PAGA Settlement Member shall be responsible for his or her own defense of and payment for any claim of unpaid taxes, interest, or penalties brought by any state or federal taxing authority for the PAGA Settlement Member's share of any state or federal tax obligation. If a PAGA Settlement Member has questions about any liability to any state or federal taxing authority, they should contact the Settlement Administrator. The PAGA Settlement Members should not contact Defendant, any of the Released Parties, or Defense Counsel.

C. Claims Released by Plaintiff

In addition to the Released Claims, upon the date of entry of an order by the Court in this Action approving this Settlement, Plaintiff will generally release any and all claims against the Released Parties. This general release of all claims includes any and all claims arising from the employment relationship with the Released Parties, or the separation thereof, including, without limitation, any claims for breach of any implied or express contract or covenant; claims for promissory estoppel; claims of entitlement to any pay; claims of wrongful denial of insurance and employee benefits (except workers' compensation benefits); claims for failure to hire, public policy violations, defamation, invasion of privacy, fraud, misrepresentation, emotional distress, assault/battery, or other common law or tort matters; claims of harassment, retaliation or discrimination based on age, race, color, religion, sex, national origin, ancestry, physical or mental disability, protected activity, medical condition, marital status, sexual preference, union activity, or veteran status; claims under Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Americans With Disabilities Act; Section 1981 of the Civil Rights Act of 1866; age discrimination under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act; the Family and Medical Leave Act; claims for unfair competition; claims based on legal restrictions on Defendant's right to terminate, not to hire or promote employees, or to change an employee's compensation; and claims based on any federal, state or other governmental statute, regulation or ordinance, all statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs or expenses, penalties, liquidated damages, punitive damages, interest,

attorneys' fees, litigation costs, restitution, or equitable relief, or any other claims arising under the Fair Labor Standards Act, California Labor Code, or Industrial Welfare Commission Wage Orders, or arising out of or based upon the following categories of allegations regardless of the forum in which they may be brought, to the fullest extent such claims are releasable by law, including but not limited to (i) all claims for unpaid overtime; (ii) all claims for unpaid wages or minimum wages; (iii) all claims for meal break violations; (iv) all claims for rest period violations; (v) all claims for paid sick leave violations; (vi) all claims for the failure to timely pay wages during employment and upon termination; (vii) all claims for the failure to timely pay wages during employment; (viii) all claims for wage statement violations; (ix) all claims for failure to reimburse business expenses; (x) unfair competition; (xi) all claims for failure to provide suitable seating and failure to provide standard temperature conditions, and (xi) all other penalties recoverable for such claims under PAGA, and the Employee Retirement Income Security Act.

For the purpose of implementing a full and complete release and discharge of the Released Parties, Plaintiff expressly acknowledges that the release in this section is intended to include in its effect, without limitation, all claims he did not know or suspect at the time of execution hereof, regardless of whether the knowledge of such claims, or the facts upon which they might be based, would materially have affected the settlement of this matter, and that the consideration given under this Settlement is also for the release of those claims and contemplates the extinguishment of any such claims. In furtherance of this Settlement, Plaintiff expressly waives all rights provided by California Civil Code section 1542, or other similar statutes that Plaintiff may have against any of the Released Parties. Section 1542 states:

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.

This general release and waiver of rights under California Civil Code Section 1542 shall include any and all claims based on conduct or omissions that occurred at any time prior to the date of entry of an order by the Court in this Action approving this Settlement.

VII. MISCELLANEOUS PROVISIONS

A. Voiding the Settlement

A failure of the Court to approve any material condition of this Settlement shall render the entire Settlement voidable and unenforceable as to Plaintiff and Defendant, at the option of Plaintiff or Defendant. Each party may exercise its option to void this Settlement as provided above by giving notice, in writing, to the other, and to the Court within fifteen (15) days after the Order failing to approve a material condition of the Settlement has been received by the party seeking to void the Settlement.

B. Mutual Full Cooperation

Plaintiff, Defendant, Plaintiff's Counsel, and Defense Counsel agree to fully cooperate with each other to accomplish the terms of this Settlement, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms herein. The Parties agree to use their best efforts and any other efforts that may become necessary by Order of the Court, or otherwise, to effectuate this Settlement.

C. Parties' Authority

The signatories hereto represent that they are fully authorized to enter into this Settlement.

D. Binding Nature of the Settlement

1. This Settlement shall be binding upon, and inure to the benefit of, the successors or assigns of the Released Parties. Plaintiff represents, covenants, and warrants that he has not directly or indirectly, assigned, transferred, encumbered, any claim, demand, action, cause of action or rights released in the Released Claims in this Settlement. This Settlement also shall be binding upon Plaintiff and the PAGA Settlement Members.

2. This Settlement may be amended or modified only by a written instrument signed by Plaintiff's Counsel and Plaintiff, as well as Defense Counsel and Defendant, and approved by the Court. No rights under this Settlement may be waived except in writing.

3. This Settlement and any attached exhibits constitute the entire agreement between Plaintiff and Defendant relating to the terms contained herein. All prior or contemporaneous agreements, understandings and statements, whether oral or written, whether express or implied, and whether by a

party or their counsel, concerning this Settlement are merged herein. No oral or written representations, warranties or inducements have been made to any party concerning this Settlement or its exhibits other than the representations, warranties and covenants contained and memorialized in such documents.

4. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any of its provisions. Each term of this Settlement is intended to be contractual and not merely a recital.

E. Joint Drafting of Settlement Documents

1. Plaintiff's Counsel and Defense Counsel have arrived at this Settlement as a result of a series of arm's-length negotiations, taking into account all relevant factors, present and potential.

2. This Settlement has been drafted jointly by Plaintiff's Counsel and Defense Counsel and, therefore, in any construction or interpretation of this Settlement, the same shall not be construed against any of the Parties.

3. Plaintiff and Plaintiff's Counsel agree that none of the documents provided to them by Defendant shall be used for any purpose other than the settlement of this Action. Specifically, none of the documents provided shall be used to pursue any subsequent claims or litigation against Defendant or the Released Parties.

F. Execution of the Settlement

This Settlement may be executed in one or more counterparts and by e-mail, facsimile, or DocuSign. All executed copies of this Settlement and photocopies thereof shall have the same force and effect and shall be as legally binding and enforceable as the original.

G. No Press Release or Publicity Regarding the Terms of the Settlement

Plaintiff and Plaintiff's Counsel, as well as Defendant and Defense Counsel, agree that they will not issue any media or press release, initiate any contact with the media or the press, respond to any media or press inquiry or have any communications with the media or the press about the fact, amount or terms of this Settlement. Plaintiff and Plaintiff's Counsel shall not publicize or refer to the fact or amount of the Settlement, on their websites, social media, any other marketing materials, professional organization such as CELA, or legal publication. Plaintiff will not state on his website(s), social media,

any other marketing materials, or legal publications, that Defendant engaged in any act contrary to California law, or denied payment owed to individuals classified as independent contractors or employees, or otherwise disparage Defendant, or otherwise identify Defendant. Defendant shall be allowed to report the Settlement or results of this lawsuit if required to do so by public disclosure regulatory requirements or with respect to any financial or other disclosures which in their judgment are necessary.

H. Continuing Jurisdiction of the Court

Pursuant to California Code of Civil Procedure section 664.6, the Parties agree that the Court shall retain jurisdiction over the Parties, and over this Settlement, in order to: (i) monitor and enforce compliance of Settlement, and/or (ii) resolve any disputes over this Settlement or the administration of the benefits of this Settlement.

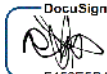
I. Representations by Plaintiff

Plaintiff acknowledges the following:

1. Plaintiff has carefully read and fully understands all of the provisions of this Settlement;
2. Plaintiff knowingly and voluntarily agrees to all of the terms set forth in this Settlement and acknowledges that Plaintiff has not been coerced, threatened, or intimidated into executing this Settlement;
3. Plaintiff has been advised, and hereby is advised in writing, to consider the terms of this Settlement and consult with Plaintiff's attorneys before signing this Settlement.

DATED: January 20, 2024

RAFAEL NAVARRO

By: 
F458F5C4R308488
PLAINTIFF

DATED: January 21, 2024

FLOOR AND DÉCOR OUTLETS OF AMERICA, INC.

By: 

Name: David V. Christopherson

Position: General counsel and authorized representative

1
2 **AGREED AS TO FORM:**

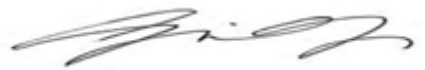
3 DATED: January 18, 2024

CAPSTONE LAW APC

4
5 By: 
6 Robert Drexler
7 Molly DeSario
8 Jonathan Lee
9 Attorneys for Plaintiff Rafael Navarro

10
11 DATED: January 21, 2024

SEYFARTH SHAW LLP

12 By: 
13 Daniel Whang
14 Gina Gi
15 Attorneys for Defendants Floor and Decor Outlets of
16 America, Inc. and Floor and Decor Holdings, Inc.
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