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12 [counsel continued next page]

13 SUPERIOR COURT OF THE STATE OF CALIFORNIA
14 COUNTY OF SAN DIEGO

16 RICO LAWRENCE, on behalf of the State of
California, as a private attorney general,

17 Plaintiff,

18 v.

19 QWICK, INC. a corporation, and DOES 1-100
inclusive,

20 Defendants.
21
22

Case No. 37-2022-00043861-CU-OE-CTL

ASSIGNED FOR ALL PURPOSES TO
JUDGE KERI KATZ; DEPT C-74

**STIPULATION AND SETTLEMENT
OF REPRESENTATIVE ACTION**

Trial Date: Not Set.

Complaint Filed: October 31, 2022

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8 Attorneys for Defendant
9 QWICK, INC.

1 **STIPULATION AND SETTLEMENT OF REPRESENTATIVE ACTION**

2 IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff Rico Lawrence
3 ("Plaintiff"), on behalf of himself and on behalf of the State of California and all allegedly
4 aggrieved employees, and Defendant Qwick, Inc. ("Defendant" or the "Company") (collectively,
5 the "Parties"), subject to the approval of the Court, that the Settlement of the Action (as defined
6 below) shall be effectuated upon and subject to the following terms and conditions.

7 **I. Recitals.**

8 WHEREAS, Plaintiff formerly performed freelance work opportunities through the
9 Company's mobile application;

10 WHEREAS, on August 25, 2022, Plaintiff notified the Labor & Workforce Development
11 Agency ("LWDA") of his intent to allege claims and seek penalties under the Labor Code Private
12 Attorneys General Act of 2004 ("PAGA");

13 Whereas on October 31, 2022, Plaintiff filed a representative action complaint in San Diego
14 County Superior Court entitled *Rico Lawrence v. Qwick Inc.* bearing case number 37-2022-
15 00043861-CU-OE-CTL;

16 WHEREAS, Plaintiff's Complaint sought civil penalties under PAGA for the following
17 violations: (1) Willfully Misclassifying Hospitality Workers (Cal. Labor Code § 226.8); (2) Failure
18 to Pay Minimum Wage (Labor Code § § 1197, 1197.1 and I.W.C Minimum Wage Orders); (3)
19 Failure to Pay Overtime Wages (Cal. Lab. Codes § § 204, 510, 1194 and I.W.C Wage Orders); (4)
20 Failure to Pay Earned Wages Upon Discharge (Cal. Lab. Code § 201-203); (5) Failure to
21 Reimburse Business Expenses (Cal. Lab. Code § § 2802 and 2804); (6) Failure to Maintain
22 Accurate Records (Cal. Lab. Code § § 1174, 1174.5, and 1198); and (7) Failure to Provide Accurate
Itemized Wage Statements (Cal. Lab. Code § § 226, 226.3 and 1198).

1 WHEREAS, on December 18, 2023, the Parties participated in a private mediation with
2 mediator Joel Grossman and reached a Settlement of Plaintiff's claims;

3 WHEREAS, as a result of the Settlement, the Parties have agreed to fully and finally resolve
4 the Action and all released claims upon the terms and conditions and for the consideration set forth
5 in this Settlement Agreement, which will be subject to Court approval;

6 NOW, THEREFORE, in consideration of the mutual promises and covenants contained
7 herein, it is hereby agreed by and between the Parties hereto as follows:

8 **II. Defined Terms.**

9 The following definitions are applicable to this Settlement Agreement.

10 1. "Action" means the representative lawsuit filed by Plaintiff in San Diego County
11 Superior Court entitled *Rico Lawrence v. Qwick, Inc.*, bearing case number 37-2022-00043861-
12 CU-OE-CTL.

13 2. "Attorneys' Fees" means Settlement PAGA Counsel's attorneys' fees, for which
14 Settlement PAGA Counsel will seek Court approval for up to one-third of the Gross PAGA
15 Settlement Amount (\$100,000.00) which shall be included in the Gross PAGA Settlement
16 Amount.

17 3. "Attorneys' Costs" means the reasonable costs that Settlement PAGA Counsel
18 intends to request from the Court, which shall also be included in the Gross PAGA Settlement
19 Amount.

20 4. "Complaint" means the Complaint filed by Plaintiff in the Action on October 31,
21 2022, which is the operative complaint.

22 5. "Court" means the Superior Court of the State of California, County of San Diego.

6. "Defendant" means Qwick, Inc.

7. "Defense Counsel" means the law firm of Littler Mendelson, P.C., counsel for
Defendant.

1 8. “Effective Date” of the Settlement means the date upon which the Settlement
2 Approval Order and Judgment is entered by the Court and the entry of judgment becomes final and
3 is no longer appealable. In the event that the Court does not approve the Settlement as provided
4 herein, or the Effective Date does not occur for any other reason, then this Settlement Agreement
5 and any documents generated to bring it into effect will be null and void, and the Parties will be
6 returned to their respective positions. The Effective Date cannot occur, and Defendant will not be
7 obligated to fund this Settlement, until and unless there is no possibility of an appeal or further
8 appeal that could potentially prevent this Settlement from becoming final and binding.

9 9. “Gross PAGA Settlement Amount” means the amount of Three Hundred Thousand
10 Dollars and Zero Cents (\$300,000.00), to be paid by Defendant to resolve the claims of the PAGA
11 Settlement Group Members, if the Court approves this Settlement and the Effective Date occurs.
12 The Gross PAGA Settlement Amount includes the LWDA Payment, the Net Settlement Amount
13 to be distributed to the PAGA Settlement Group Members, Attorneys’ Fees, Attorneys’ Costs,
14 Settlement Administration Fees, and the Plaintiff Enhancement Award. In no event shall Defendant
15 be liable for the payment of any amounts exceeding the Gross PAGA Settlement Amount.

16 10. “LWDA Payment” means 75% of the Net PAGA Fund, which shall be paid to the
17 LWDA.

18 11. “Net PAGA Fund” means the allocation of the remaining Gross PAGA Settlement
19 Amount after payment of Attorneys’ Fees, Attorneys’ Costs, Settlement Administration Fees, and
20 the Plaintiff Enhancement Award, where 75% of the Net PAGA Fund shall be paid to the LWDA
21 as the LWDA Payment, with the remaining 25% distributed to the PAGA Settlement Group
22 Members as the Net Settlement Amount.

 12. “Net Settlement Amount” means the Gross PAGA Settlement Amount less
Attorneys’ Fees, Attorneys’ Costs, Settlement Administration Fees, Plaintiff Enhancement Award,

1 and LWDA Payment. The Net Settlement Amount will be distributed to the PAGA Settlement
2 Group Members.

3 13. "Notice" means the form of notice that will be sent to each PAGA Settlement Group
4 Member accompanying their PAGA Payment, which shall be substantially in the form attached
5 hereto as **Exhibit A**.

6 14. "PAGA Payment" means any check issued to any PAGA Settlement Group Member
7 of their share of the Net Settlement Amount.

8 15. "PAGA Period" means the time period from August 24, 2021 through the date of
9 the PAGA Settlement Approval.

10 16. "PAGA Settlement Approval" means and refers to the date the settlement is
11 approved by the Court.

12 17. "PAGA Settlement Group Members" means all current and former freelancers who
13 worked for Qwick, Inc.'s clients in California at any time from August 25, 2021 through and
14 including the date of the PAGA Settlement Approval.

15 18. "PAGA Settlement Member List" means the list of PAGA Settlement Group
16 Members' full names, telephone numbers, email addresses, and the total number of pay periods
17 worked as a freelancer for Defendant's clients in California at any time during the PAGA Period,
18 which Defendant will diligently and in good faith compile from its records.

19 19. "Plaintiff" means Plaintiff Rico Lawrence.

20 20. "Plaintiff Enhancement Award" means the amount from the Gross PAGA
21 Settlement Amount that the Court awards to Plaintiff as a service award for representing others and
22 as consideration for executing this Settlement Agreement and providing a Complete and General
Release of all PAGA claims in favor of the Released Parties. The Plaintiff Enhancement Award
shall not exceed Ten Thousand Dollars and Zero Cents (\$10, 000.00) and Defendant shall

1 have no further obligation to pay any amount to Plaintiff relating to the Action apart from this
2 Plaintiff Enhancement Award.

3 21. “Released Claims” means the claims released by the PAGA Settlement Group
4 Members, including all PAGA claims pled in the Action, any PAGA letter sent to the LWDA by
5 Plaintiff in or prior to the Action, or any PAGA claims which could have been alleged under the
6 facts, allegations, and/or claims pled in the Action or any PAGA letter sent to the LWDA by
7 Plaintiff in or prior to the Action, against the Released Parties (as defined below) during the PAGA
8 Period, including claims under the California Labor Code and California Industrial Welfare
9 Commission Wage Orders that were alleged, specifically California Labor Code §§201, 202, 203,
10 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1,
11 1198, 2800, 2802, 2698 *et seq.*, Cal. Bus & Prof. Code §17200 *et seq.*, and Cal. Code Civ. Proc.
§1021.5.

12 22. “Released Parties” include Defendant and any of its past, present, and future direct
13 or indirect parents, subsidiaries, predecessors, successors, and affiliates, as well as each of their
14 past, present, and future officers, directors, employees, partners, members, shareholders and agents,
15 attorneys, insurers, reinsurers, and any individual or entity that could be jointly liable with
Defendant.

16 23. “Settlement Administration Fees” means the actual and direct fees/costs reasonably
17 charged by the Settlement Administrator for its services in administering and distributing the Gross
18 PAGA Settlement Amount. Settlement Administration Fees are to be paid from the Gross PAGA
Settlement Amount.

19 24. “Settlement Administrator” means Phoenix Settlement Administrators a third-
20 party settlement administrator that the Parties will ask the Court to appoint for the purposes of
21 administering and distributing the Gross PAGA Settlement Amount.
22

1 25. “Settlement Agreement” means and refers to this agreement.

2 26. “Settlement Approval Order and Judgment” means the settlement approval order
3 and judgment that will be entered by the Court.

4 27. “Settlement Fund Account” means the bank account established by the Settlement
5 Administrator pursuant to the terms of this Settlement Agreement, from which all monies payable
6 under the terms of this Settlement shall be paid, as set forth herein.

7 28. “Settlement PAGA Counsel” means Plaintiff’s counsel, the Law Offices of Jennifer
8 B. Siverts.

9 **III. Consideration.**

10 1. Gross PAGA Settlement Amount. If the Court approves the Settlement and the
11 Effective Date occurs, Defendant will pay the Gross PAGA Settlement Amount of Three Hundred
12 Thousand Dollars and Zero Cents (\$300,000.00) as outlined herein. All amounts to be paid by
13 Defendant shall be deposited into the Settlement Fund Account, which shall be administered by the
14 Settlement Administrator. All amounts to be paid to anyone pursuant to this Settlement Agreement
15 shall be paid out of the Gross PAGA Settlement Amount from the Settlement Fund Account.

16 2. Reclassification: By December 31, 2024, Defendant will fully convert all
17 freelancers utilizing Defendant’s mobile application in California to obtain work opportunities to
18 W-2 employees.

19 3. Plaintiff’s Release. Plaintiff and his respective former and present spouses,
20 representatives, agents, attorneys (including Settlement PAGA Counsel), heirs, administrators,
21 successors, and assigns generally, release and discharge Released Parties from all claims,
22 transactions, or occurrences that occurred during the PAGA Period, including but not limited to the
Released Claims (“Plaintiff’s Release”). Plaintiff’s Release does not extend to any claims or
actions to enforce this Settlement Agreement, or to any claims for vested benefits, unemployment

1 benefits, disability benefits, Social Security benefits, or workers' compensation benefits that arose
2 at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that
3 Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff
4 now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and
5 remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's
6 discovery of them.

7 a. Plaintiff's Waiver of Rights Under California Civil Code §1542. For
8 purposes of Plaintiff's Release, upon the effective date of the Settlement
9 Agreement, Plaintiff shall be deemed to have, and by operation of the
10 Settlement Approval Order and Judgment shall have, expressly waived and
11 relinquished to the fullest extent permitted by law the provisions, rights, and
12 benefits of section 1542 of the California Civil Code or other similar
13 provision under federal or state law that purports to limit the scope of a
14 general release, which provides as follows:

15 A general release does not extend to claims that the creditor or releasing
16 party does not know or suspect to exist in his or her favor at the time of
17 executing the release and that, if known by him or her, would have materially
18 affected his or her settlement with the debtor or released party.

19 4. PAGA Settlement Members' Release. Upon the Effective Date, Plaintiff, on behalf
20 of himself, the State of California, and all PAGA Settlement Group Members, releases the Released
21 Parties from the Released Claims. PAGA Settlement Group Members may discover facts in
22 addition to those they now know or believe to be true with respect to the subject matter of the
Released Claims, but upon the Effective Date, PAGA Settlement Group Members shall be deemed
to have, and by operation of the Settlement Approval Order and Judgment shall have, fully, finally,

1 and forever settled and released any and all of the Released Parties from the Released Claims,
2 without regard to the subsequent discovery or existence of such different or additional facts. PAGA
3 Settlement Group Members agree not to sue or otherwise make a claim against any of the Released
4 Parties that seeks recovery for any of the Released Claims. It is the intent of the Parties that the
5 Settlement Approval Order and Judgment entered by the Court shall have full res judicata effect
6 and be final and binding upon PAGA Settlement Group Members regarding the Released Claims.

7 **IV. Settlement Approval.**

8 1. Settlement Approval Motion. Following full execution of this Settlement
9 Agreement, Plaintiff will promptly request a hearing before the Court to seek approval of the
10 Settlement on a mutually available date. In conjunction with such hearing, PAGA Settlement
11 Counsel will present this Settlement Agreement to the Court and will request that the Court issue a
12 Settlement Approval Order and Judgment approving and incorporating by reference the terms and
13 conditions of the Settlement Agreement (“Settlement Approval Motion”). Settlement PAGA
14 Counsel will draft the Settlement Approval Motion, will make it available to Defense Counsel at
15 least five (5) business days prior to the filing of the motion, and will work with Defense Counsel
16 in good faith to make the motion acceptable to Defendant. Defendant agrees not to oppose the
17 Settlement Approval Motion unless the motion is inconsistent with the terms set forth in this
18 Settlement Agreement. Should the Court decline to approve material aspects of the Settlement
19 (including but not limited to the scope of release to be granted by PAGA Settlement Group
20 Members or the binding effect of the Settlement on PAGA Settlement Group Members), the Parties
21 shall work together in good faith to address any concerns raised by the Court and propose a revised
22 Settlement Agreement for the Court’s approval.

2. No Right of PAGA Settlement Group Members to Object or Opt Out. The Parties
agree there is no statutory right for any PAGA Settlement Group Member to object, opt out, or

1 otherwise exclude himself or herself from the Settlement. Except as otherwise stated, the Parties
2 will vigorously defend against any attempt by any PAGA Settlement Group Member or by any
3 entity, third-party plaintiff, or agency to intervene in this matter or object to/opt out of this
4 Settlement. The Parties further agree there is no right or opportunity for any PAGA Settlement
5 Group Member to appeal the approval of the Settlement by the Court. The Parties will jointly
6 defend against any appeal filed with respect to the Settlement Approval Order and Judgment.

7 3. Submissions of Documents to the LWDA. Pursuant to California Labor Code
8 §2699(1)(2), Plaintiff will provide a copy of this Settlement Agreement to the LWDA concurrently
9 with the filing of the Settlement Approval Motion. Plaintiff will also file a declaration in support
10 of his Settlement Approval Motion confirming that he has submitted the Settlement Agreement to
11 the LWDA in compliance with California Labor Code § 2699(1)(2). Within ten (10) calendar days
12 after the Court's entry of the Settlement Approval Order and Judgment, Settlement PAGA Counsel
13 will submit a copy of the Settlement Approval Order and Judgment to the LWDA pursuant to
14 California Labor Code §2699(1)(3).

15 4. Continued Jurisdiction. After entry of the Settlement Approval Order and
16 Judgment, the Court will have continuing and exclusive jurisdiction solely for purposes of
17 addressing: (a) the interpretation and enforcement of the terms of the Settlement; (b) matters
18 relating to the administration of the Settlement; and (c) such post-judgment matters as may be
19 appropriate under Court rules or as set forth in this Settlement Agreement.

20 **V. Fees, Costs, and Enhancement Award.**

21 1. Attorneys' Fees. Settlement PAGA Counsel intends to request attorneys' fees from
22 the Court. In full satisfaction of all claims Plaintiff and Settlement PAGA Counsel may have for
attorneys' fees arising out of the Action, the Parties agree that no more than one-third (\$100,000)
of the Gross PAGA Settlement Amount may be allocated in attorneys' fees. Attorneys' fees paid

1 pursuant to this Settlement shall be inclusive of all fees in this matter. Defendant agrees not to
2 oppose Settlement PAGA Counsel's application for an attorneys' fee award not exceeding this sum.
3 If the Court awards Settlement PAGA Counsel less than one-third (\$100,000) of the Gross PAGA
4 Settlement Fund for Attorneys' Fees, then Defendant shall have no obligation to pay Settlement
5 PAGA Counsel any additional amount for attorneys' fees. If the Court awards less than one-third
6 (\$100,000) of the Gross PAGA Settlement Amount for Attorneys' Fees, the remainder will be
7 added to the Net PAGA Fund and such a reduction shall not be sufficient grounds to void the
8 Settlement.

8 2. Attorneys' Costs. Settlement PAGA Counsel intends to request attorneys' costs
9 from the Court. In full satisfaction of all claims Plaintiff and Settlement PAGA Counsel may have
10 for attorneys' costs arising out of the Action, the Parties agree that no more than Eight Thousand
11 Six Hundred Fifteen Dollars and Fifty-Five Cents (\$8,615.55) may be allocated to Attorneys'
12 Costs. Defendant agrees not to oppose Settlement PAGA Counsel's application for an attorneys'
13 costs award not exceeding this sum. If the Court awards Settlement PAGA Counsel less than
14 Eight Thousand Six Hundred Fifteen Dollars and Fifty-Five Cents (\$8,615.55) for Attorneys'
15 Costs, then Defendant shall have no obligation to pay Settlement PAGA Counsel any additional
16 amount for attorneys' costs. If the Court awards less than Eight Thousand Six Hundred Fifteen
17 Dollars and Fifty-Five Cents (\$ 8,615.55) for Attorneys' Costs, the remainder will be added
18 to the Net PAGA Fund and such a reduction shall not be sufficient grounds to void the Settlement.

18 3. Settlement Administration Fees. The Parties agree that no more than Fifteen
19 Thousand Dollars and Z ero C ents (\$15,000.00) may be allocated to Settlement
20 Administration Fees, which is subject to the Court's approval and will be paid only from the Gross
21 PAGA Settlement Amount. Any portion of the Settlement Administration Fees not awarded by the
22 Court will be added to the Net PAGA Fund. Defendant shall have no obligation to pay any

1 additional amount for Settlement Administration Fees.

2 4. Plaintiff Enhancement Award. In consideration for Plaintiff's general release and
3 release as to any and all PAGA claims and as a service award for prosecuting the Action for the
4 benefit of the State of California and PAGA Settlement Group Members, the Company agrees to
5 pay Plaintiff a Plaintiff Enhancement Award in an amount no more than Ten Thousand Dollars
6 and Zero Cents (\$10, 000.00). Defendant agrees not to oppose Plaintiff's application for a
7 Plaintiff Enhancement Award not to exceed this sum. The Plaintiff Enhancement Award is subject
8 to approval of the Court and will be paid from the Gross PAGA Settlement Fund. In the event that
9 the Court reduces the requested Plaintiff Enhancement Award, Settlement PAGA Counsel shall not
10 have the right to revoke this Settlement Agreement, and it will remain binding. Any portion of the
11 Plaintiff Enhancement Award not awarded to Plaintiff will be added to the Net PAGA Fund.
12 Plaintiff understands and agrees that this Agreement and the Releases herein shall remain in full
13 force and effect even if the amount of the Plaintiff Enhancement Award identified herein is not
14 awarded by the Court. Defendant shall have no further obligation to pay any amount to Plaintiff
15 relating to the Action apart from the Plaintiff Enhancement Award. Plaintiff agrees that any
16 enhancement award he may receive shall not be considered wages and Defendant shall issue
17 Plaintiff an IRS Form 1099 reflecting any such payment. Plaintiff agrees that he alone is
18 responsible for the tax consequences, including penalties or interest, relating to the payment of the
19 Plaintiff Enhancement Award. Plaintiff shall not have the right to revoke his agreement to the
20 Settlement on the grounds the Court does not approve any or all of the requested Plaintiff
21 Enhancement Award.

22 **VI. Settlement Administration.**

1. Settlement Administrator. Before or on the date on which the Court grants approval
of the Settlement, the Plaintiff will retain Phoenix Settlement Administrator as the third party

1 Settlement Administrator to administer this Settlement. The Settlement Administrator will be
2 responsible for at least the following:

- 3 a. Establishing the Settlement Fund Account, which meets the requirements of
4 a Qualified Settlement Fund (“QSF”) under U.S. Treasury Regulation
5 section 468B-1;
- 6 b. Receiving, tracking, and organizing the PAGA Settlement Group Member
7 List provided by Defendant;
- 8 c. Following up with Defendant with any questions about the PAGA
9 Settlement Group Member List provided;
- 10 d. Resolving any issues that may arise concerning whether an individual is a
11 PAGA Settlement Group Member and/or the number of pay periods at issue
12 with regard to each PAGA Settlement Group Member;
- 13 e. Performing address updates and verifications prior to the mailing of the
14 Notice and performing at least a single skip trace address follow up on any
15 returned mail;
- 16 f. Consulting with Settlement PAGA Counsel and Defense Counsel
17 concerning any relevant issue, including (without limitation) distribution of
18 the Notice and PAGA Payments;
- 19 g. Calculating the LWDA Payment, Net PAGA Fund, and PAGA Payments,
20 consistent with the terms of this Settlement Agreement and any order of the
21 Court;
- 22 h. Disbursing the PAGA Payments, LWDA Payment, any Attorneys’ Fees
award, Attorneys’ Costs award, Plaintiff Enhancement Award, and
Settlement Administration Fees as may be ordered by the Court or as

otherwise required by this Settlement Agreement;

i. Preparing, printing, and mailing to the PAGA Settlement Group Members the PAGA Payments and the accompanying Notice approved by the Court;

j. Preparing and providing any legally mandated tax reports, tax filings, or other tax documents required by the administration of the Settlement and as required under applicable law;

k. And for such other tasks as the Parties mutually agree or the Court orders.

2. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities, and shall not mail any payments to Plaintiff, the LWDA, Settlement PAGA Counsel or any PAGA Settlement Group Members until the amounts are approved by the Parties.

3. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

4. The Settlement Administrator is not an agent of Plaintiff, Settlement PAGA Counsel, Defendant, or Defense Counsel.

5. All tasks assigned to the Settlement Administrator under this Settlement Agreement, which, if not completed properly or accurately, shall subject the Settlement Administrator to liability for any costs, fines, losses, or expenses or other amounts incurred by the Parties.

6. PAGA Settlement Member List. Within twenty-one (21) business days of the Effective Date or on such date otherwise ordered by the Court, Defendant shall use commercially reasonable efforts to provide to the Settlement Administrator the PAGA Settlement Member List. The PAGA Settlement Member List shall be used solely for the administration of this Settlement and for no other purpose, and shall not be shared with any persons or entity not employed by the

1 Settlement Administrator and working on the administration of this Settlement. Because PAGA
2 Settlement Group Members' sensitive personal information is included in the PAGA Settlement
3 Member List, the Settlement Administrator shall maintain the PAGA Settlement Member List
4 securely and in confidence, maintaining the strictest standards of data privacy. Access to the PAGA
5 Settlement Member List shall be limited to employees of the Settlement Administrator with a need
6 to use the PAGA Settlement Member List for administration of this Settlement.

7 7. Funding of the Settlement Fund. The Gross PAGA Settlement Amount shall be paid
8 in monthly installments beginning on July 1, 2024. From July 1, 2024 through December 1, 2024,
9 Defendant agrees to pay \$25,000.00 on the first day of each month towards the Gross PAGA
10 Settlement Amount. From January 1, 2025 through December 1, 2025, Defendant agrees to pay
11 \$12,500.00 on the first day of each month towards the Gross PAGA Settlement Amount. In no
12 circumstances will Defendant be required to pay any money towards the Gross PAGA Settlement
13 Amount prior to July 1, 2024. The Settlement Fund is fully funded once the final monthly payment
14 is made on December 1, 2025. The funding schedule described in this Paragraph applies only if
15 the Court has approved the settlement on or before June 1, 2024. If the settlement is not approved
16 on or before June 1, 2024, then Defendant's first monthly payment will be due thirty (30) calendar
17 days following the Court's approval of the settlement. Subsequent monthly installment payments
18 shall occur on the first day of each month.

19 8. Payment of Attorneys' Fees and Attorneys' Costs. Within fifteen (15) business days
20 after Defendant fully funds the first six (6) payments to the Settlement Fund Account as outlined
21 above, the Settlement Administrator shall pay from the Settlement Fund Account the Court-
22 approved Attorneys' Fees and Attorneys' Costs to Settlement PAGA Counsel. Settlement PAGA
Counsel agrees to provide the Settlement Administrator with an executed IRS Form W-9 before
payments for Attorneys' Fees and Attorneys' Costs are issued. The Settlement Administrator shall

1 issue an IRS Form 1099 to Settlement PAGA Counsel for the payments made pursuant to this
2 paragraph.

3 9. Payment of Plaintiff Enhancement Award. Within fifteen (15) business days after
4 Defendant fully funds the first six (6) payments to the Settlement Fund Account as outlined above,
5 the Settlement Administrator shall pay from the Settlement Fund Account the Court-approved
6 Plaintiff Enhancement Award to Plaintiff. Plaintiff agrees to provide the Settlement Administrator
7 with an executed IRS Form W-9 before the Plaintiff Enhancement Award is issued to him. The
8 Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for the payment made pursuant
9 to this paragraph.

10 10. Settlement Administration Fees. Within fifteen (15) business days after Defendant
11 fully funds the first six (6) payments to the Settlement Fund Account as outlined above, the
12 Settlement Administrator shall pay from the Settlement Fund Account the Court-approved
13 Settlement Administration Fees.

14 11. LWDA Payment. Within fifteen (15) business days after Defendant fully funds the
15 Settlement Fund Account as outlined above, the Settlement Administrator shall pay from the
16 Settlement Fund Account a check payable to the LWDA for seventy-five percent (75%) of the Net
17 PAGA Fund.

18 12. Calculation of PAGA Payments. All PAGA Settlement Group Members will
19 receive a PAGA Payment calculated by dividing the Net Settlement Amount by the total number
20 of pay periods worked by PAGA Settlement Group Members during the PAGA Period, and then
21 multiplying that amount by the total number of pay periods attributed to that PAGA Settlement
22 Group Member.

23 13. PAGA Payments to PAGA Settlement Group Members. Within fifteen (15)
24 business days following the issuance of the final monthly settlement payment, the Settlement

1 Administrator shall issue from the Net Settlement Amount the PAGA Payments to each PAGA
2 Settlement Group Member's last known mailing address along with the Notice. A PAGA
3 Settlement Group Member must cash his or her PAGA Payment check within one hundred eighty
4 (180) calendar days after it is issued after which time the check will become null and void ("Void
5 Date"). Prior to mailing, the Settlement Administrator will perform a search based on the National
6 Change of Address Database for information to update and correct for any known or identifiable
7 address changes. Any checks returned as non-deliverable on or before the Void Date (180 days
8 after mailing of the first check) will be sent promptly via regular First-Class U.S. Mail to the
9 forwarding address affixed thereto. If no forwarding address is provided, the Settlement
10 Administrator will promptly attempt to determine the correct address using a skip trace, or other
11 search using the name, address, or Social Security number of the PAGA Settlement Group Member
12 involved, and will then perform a single re-mailing. If a check is returned to the Settlement
13 Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the
14 PAGA Settlement Group Member at his or her correct address. Any check re-mailings will not
15 extend the 180-day period to cash a check prior to the check becoming void. If a PAGA Settlement
16 Group Member's PAGA Payment check is not cashed by the Void Date, the funds from such
17 uncashed checks will be paid to Employee Rights Center of San Diego County in the name of
18 the PAGA Settlement Group Member and the PAGA Settlement Group Member will remain bound
19 by the Settlement.

20 14. Report of Completion. Within thirty (30) calendar days after the end of the Void
21 Date for the PAGA Payments, the Settlement Administrator shall provide counsel for all Parties
22 with a written report listing the total amount of Net Settlement Amount paid; the number of checks
issued to the PAGA Settlement Group Members; the number and total dollar amount of such checks
that were negotiated and cashed; the number and total dollar amount of checks issued that were not

1 negotiated and cashed, if any; the amount of Settlement Administration Fees; and the amount of
2 the Net Settlement Amount paid or to be paid to the Employee Rights Center of San Diego
3 County, if any.

4 15. Destruction of PAGA Settlement Group Members' Personal Identifying
5 Information. Within thirty (30) calendar days after entry of the Settlement Administrator issues its
6 Report of Competition or such other date as the Court may order, the Settlement Administrator
7 shall destroy all PAGA Settlement Group Members' personal identifying information received
8 from Defendant and otherwise in connection with the implementation and administration of this
9 Settlement.

9 **VII. Miscellaneous.**

10 1. No Admission of Liability. Defendant denies the allegations in the PAGA letter and
11 Complaint, denies any failure to comply with the laws identified in the PAGA letter and
12 Complaint, and denies any and all liability for the causes of action alleged. Defendant denies that
13 PAGA claims on these facts would be manageable. This Settlement Agreement is a compromise
14 of such disputed claims. Nothing contained in this Settlement Agreement, no documents referred
15 to herein, and no action taken to carry out this Settlement Agreement may be construed or used as
16 an admission by or against the Company or any of the Released Parties of any fault, wrongdoing,
17 or liability whatsoever.

18 2. Court Approval. If the Court does not grant approval of the Settlement or grants
19 approval conditioned on any material change to the Settlement Agreement (including, but not
20 limited to, the scope of release to be granted by the PAGA Settlement Group Members), then the
21 Parties shall work together in good faith to address any concerns raised by the Court and propose a
22 revised Settlement for the Court's approval. However, an award by the Court of a lesser amount
than that sought by Plaintiff and/or Settlement PAGA Counsel for the Plaintiff Enhancement

1 Award, Settlement Administration Fees, Attorneys' Fees, and Attorneys' Costs, will not constitute
2 a material modification to the Settlement Agreement within the meaning of this paragraph.

3 3. Tax Liability. The Parties make no representation as to the tax treatment or legal
4 effect of the payments called for hereunder, and the Parties are not relying on any statement,
5 representation, or calculation by any of the Parties or by the Settlement Administrator in this regard.
6 Plaintiff understands and agrees that he will be solely responsible for the payment of any taxes and
7 penalties assessed on the payments described herein and will hold Settlement PAGA Counsel, the
8 Company, the Released Parties, Defense Counsel, and the Settlement Administrator free and
9 harmless from and against any claims resulting from treatment of such payments as non-taxable
10 damages. Neither Plaintiff, Settlement PAGA Counsel, Defendant, nor Defense Counsel are
11 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
12 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part
10, as amended) or otherwise.

13 4. No Prior Assignments or Liens. The Parties and their counsel represent, covenant,
14 and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
15 to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
16 action, cause of action, or right herein released and discharged.

17 5. No Other Pending Lawsuits By Plaintiff. Other than this Action, Plaintiff
18 represents that Plaintiff does not have any pending lawsuits, administrative complaints, or
19 charges against the Company or the Released Parties in any local, state, or federal court or
20 administrative agency. Plaintiff further acknowledges that all claims raised therein, if any, shall
21 be fully and finally extinguished by virtue of this Settlement Agreement and the Court's
22 Settlement Approval Order and Judgment.

6. Exhibits Incorporated by Reference. The terms of this Settlement Agreement

1 include the terms set forth in any attached Exhibits, which are incorporated by this reference as
2 though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of
3 the Settlement.

4 7. Entire Agreement. Upon execution by all Parties, Settlement PAGA Counsel, and
5 Defense Counsel, this Agreement together with its attached Exhibits shall constitute the entire
6 agreement between the Parties relating to the Settlement, superseding any and all prior or oral or
7 written understandings, negotiations, agreements, statements, promises, representations,
warranties, covenants, or inducements made to or by any Party.

8 8. Amendment or Modification. This Agreement may be amended or modified only
9 by a formal written instrument signed by counsel for all Parties or their successors-in-interest.

10 9. Authorization to Enter Into Settlement Agreement. Settlement PAGA Counsel
11 and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and
12 Defendant, respectively, to take all appropriate action required or permitted to be taken by such
13 Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents
14 reasonably required to effectuate the terms of this Agreement including any amendments to this
Agreement.

15 10. Binding Agreement. The Parties warrant that they understand and have full
16 authority to enter into this Settlement, and further intend that this Agreement will be fully
17 enforceable and binding on all Parties, and agree that it will be admissible and subject to
18 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
provisions that otherwise might apply under federal or state law.

19 11. Binding on Successors and Assigns. This Settlement Agreement will be binding
20 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
21 defined.

1 12. California Law. All terms of this Settlement Agreement and the Exhibits attached
2 hereto will be governed by and interpreted according to the laws of the State of California.

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

9 14. Acknowledgement that the Settlement is Fair, Adequate, and Reasonable. The
10 Parties believe this Agreement is a fair, adequate, and reasonable settlement of the Action and
11 have arrived at this Settlement after arm's-length negotiations facilitated by an experienced wage
12 and hour mediator, and in the context of adversarial litigation, taking into account all relevant
13 factors, present and potential. The Parties further acknowledge that they are each represented by
14 competent counsel and that they have had an opportunity to consult with their counsel regarding
15 the fairness, adequacy, and reasonableness of this Settlement.

16 15. Waiver of Certain Appeals. In the event the Court grants Approval of this
17 Settlement Agreement, the Parties agree to waive appeals concerning this Settlement.

18 16. Captions. The captions and paragraph numbers in this Agreement are inserted for
19 the reader's convenience, and in no way define, limit, construe, or describe the scope or intent of
20 the provisions of this Settlement Agreement.

21 17. Notices. Unless otherwise specifically provided, all notices, demands, or other
22 communications in connection with this Settlement Agreement shall be: (a) in writing; (b)
deemed given on the third business day after mailing; (c) sent via United States registered or
certified mail, , addressed as follows; and (d) with a courtesy copy by e-mail:

To Settlement PAGA Counsel:

Adam M. Kent, akent@jbsmlaw.com
Jennifer B. Siverts, jennifer@jbsmlaw.com
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4455, Morena Blvd., Suite 213
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Telephone: 858.272.5800
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To Defense Counsel:

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LITTLER MENDELSON, P.C.
101 Second Street, Suite 1000
San Francisco, CA 94105
Telephone: 415.433.1940
Fax No.: 415.399.8490

18. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full. Further, Plaintiff and Settlement PAGA Counsel warrant and

1 represent that there are no liens on the Agreement.

2 19. Cooperation and Execution of Necessary Documents. All Parties will cooperate
3 in good faith and execute all documents to the extent reasonably necessary to effectuate the terms
4 of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content
5 of any document needed to implement the Settlement, or on any supplemental provisions that
6 may become necessary to effectuate the terms of this Settlement, the Parties may seek the
assistance of the mediator and/or the Court to resolve such disagreement.

7 20. Waiver. No waiver of any condition or covenant contained in this Settlement
8 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
9 to imply or constitute a further waiver by such party of the same or any other condition, covenant,
10 right, or remedy.

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21. Agreement Drafted By All Parties. This Agreement has been, and shall be construed to have been, drafted by all the Parties to it, and the Parties agree that any rule which construes ambiguities against the drafter shall have no force or effect.

The Parties and their counsel hereby execute this Agreement.

PLAINTIFF RICO LAWRENCE

Dated: 02/23/2024

Rico Lawrence
Rico Lawrence (Feb 23, 2024 15:39 PST)
Rico Lawrence

QWICK, INC.

Dated: _____

By: _____
Title: _____

Approved as to form:

Dated: 02/23/2024

LZAW OFFICES OF JENNIFER B. SIVERTS

Adam M. Kent
ADAM M. KENT
JENNIFER B. SIVERTS

Attorneys for Plaintiff
RICO LAWRENCE

4868-4741-3157.1 / 102248-1007

21. Agreement Drafted By All Parties. This Agreement has been, and shall be construed to have been, drafted by all the Parties to it, and the Parties agree that any rule which construes ambiguities against the drafter shall have no force or effect.

The Parties and their counsel hereby execute this Agreement.

PLAINTIFF RICO LAWRENCE

Dated: _____

Rico Lawrence

QWICK, INC.

Dated: 2/21/2024

DocuSigned by:
Dana Barbeau
02FC2C12CC5E4FE...
By: Dana Barbeau
Title: Chief Legal & People Officer

Approved as to form:

Dated: _____

LZAW OFFICES OF JENNIFER B. SIVERTS

ADAM M. KENT
JENNIFER B. SIVERTS

Attorneys for Plaintiff
RICO LAWRENCE

4868-4741-3157.1 / 102248-1007