

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) was entered into on July 27, 2023 by and between (1) Ramon Rodriguez (“Plaintiff”) on behalf of himself and all other similarly-situated current and former employees (“Aggrieved Employees” or “PAGA Members”) and (2) Defendant Boudreau Pipeline Corporation (“Defendant”) (hereinafter the “Parties”). This MOU is designed to bind the Parties to terms of a settlement to be thereafter memorialized further in a long form Stipulation of Settlement, the provisions of which will be consistent with this MOU.

NOW, THEREFORE, the Parties hereto agree as follows:

1. For purposes of this MOU, the “Action” is defined as *Ramon Rodriguez v. Boudreau Pipeline Corporation*, Riverside County Superior Court, Case No. CVRI2203480 (2022). This MOU memorializes the settlement reached in the mediation on July 27, 2023, between Plaintiff, the Aggrieved Employees, and Defendant (the “Parties”). This MOU confirms the essential terms of the settlement reached between the Parties with the assistance of mediator Steve Pearl.
2. The Parties intend to enter into a more formal long form agreement (the “Stipulation of Settlement”) not inconsistent with the terms of this MOU, but if they fail to execute a more formal agreement, this MOU will be final, binding, enforceable pursuant to California Code of Civil Procedure Section 664.6, and admissible pursuant to California Evidence Code Section 1123.
3. The Parties agree to cooperate fully with each other to accomplish the terms of the MOU by entering into the long-form Stipulation of Settlement, including a proposed approval order; to use their best efforts to finalize the Stipulation of Settlement; and to use any other efforts that may become necessary by order of the Court, or otherwise, to effectuate the Stipulation of Settlement. Plaintiff shall prepare the initial drafts of the long-form Stipulation of Settlement. In the event that the Parties do not execute the Stipulation of Settlement within 30 days of both Parties’ approval of the finalized Stipulation of Settlement, either party may move for approval of this PAGA settlement on the basis of the terms set forth in this MOU. The Parties may extend this deadline by mutual agreement in writing.
4. The Parties agree that the proper scope and definition of the Aggrieved Employees for purposes of this agreement are “*All non-exempt employees of Defendant who worked at least one shift in California from August 17, 2021, through the date the Court has granted approval of the settlement or October 25, 2023, whichever comes first.*” For the purpose of this paragraph “Defendant” shall mean and refer to Boudreau Pipeline Corporation.
5. The Parties and their counsel agree that the consideration described in the subparagraphs below constitute their good faith compromise of the Action. This compromise is based on the Parties’ assessment of the value of the case, and the mutual risks and costs of further litigation.

Specifically, the consideration provided by Defendant consists of the following:

- a. Defendant shall pay the Settlement Fund Amount (“Maximum Settlement Amount” or “MSA”) of \$325,000.00 in full and complete settlement of this matter.
 - b. Defendants shall fund the MSA within 10 calendar days of being provided the final accounting of funds by the settlement administrator, which shall be within 10 calendar days of the “Effective Date.”
 - c. The Effective Date means the date on which the settlement embodied in this Settlement Agreement shall become effective and is the date after all of the following events have occurred: (i) this Settlement Agreement has been executed by Plaintiff and Defendant; and (ii) the Court has granted approval to the Settlement.
 - d. This is a non-reversionary settlement. All funds represented by uncashed checks remaining in the Qualified Settlement Fund shall be tendered to the State’s Unclaimed Wages Fund.
6. The Parties agree that the consideration described in Paragraph 5, above, constitutes adequate consideration for the settlement and release described immediately below.
 - a. *Release by Plaintiff*: The Plaintiff shall be bound by a complete Section 1542 release and waiver of all claims known and unknown, without exception, against the “Released Parties” (defined below), except as may be prohibited by law. Defendant shall not oppose a request for an enhancement award for Plaintiff up to the amount of \$10,000, which Plaintiff will seek for his work in resolving the case and for his signing of a general release.
 - b. *Release by PAGA Members*: All PAGA Members will be bound by a limited release that releases all PAGA claims against the Released Parties, whether known or unknown, within the definition of “Released PAGA Claims” (defined below).
 - c. *Definition of “Released PAGA Claims”*: means all claims under the Private Attorneys General Act for PAGA penalties that were alleged, or reasonably could have been alleged, during the PAGA Release Period, based on the operative Complaint and the PAGA Notice(s). The period of the Release shall extend to the limits of the PAGA Release Period.
 - d. *Definition of “PAGA Release Period”*: August 17, 2021, through the date the Court has granted approval of the settlement *or October 25, 2023, whichever comes first*.
 - e. *Definition of “Released Parties”*: Defendant, and its officers, directors, employees and agents.
7. Defendant will not oppose a request by the named Plaintiff for an enhancement payment of up to \$10,000 as referenced in Paragraph 7(a), to be deducted from the Settlement Fund

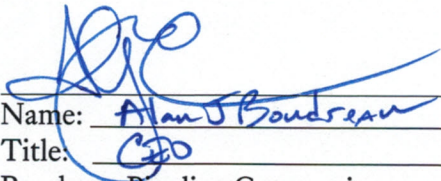
Amount, in exchange for his service as PAGA Representative. This enhancement payment is in addition to the payment to which he is entitled as PAGA Member. In the event that the Court reduces or does not approve the requested PAGA Representative enhancement payment, Plaintiff shall not have the right to revoke this MOU or the Stipulation of Settlement, and it will remain binding.

8. The Parties designate that the entire Settlement Fund Amount will be allocated for violations of PAGA. This amount will be allocated as follows: 75% will be payable to the LWDA and the remaining 25% will be payable to the PAGA Members. The PAGA penalties will be reported as 1099 payments and not as taxable wages.
9. Defendant will not oppose an application for an award to Plaintiff's Counsel, from the Settlement Fund Amount, of up to one-third of the Settlement Fund Amount in attorneys' fees, plus actual costs and expenses, of up to \$15,000, as supported by declaration. Even in the event that the Court reduces or does not approve the requested Plaintiff's Counsel Award and costs, Plaintiff's Counsel shall not have the right to revoke this MOU or this settlement, and it will remain binding.
10. The Parties will select a Settlement Administrator on the basis of cost and competence, with the best interests of the PAGA Members in mind. Defendant and Defendant's counsel shall not enter into any contractual relationship with the Settlement Administrator. Fees of the Settlement Administrator shall be paid out of the Settlement Fund Amount, in the amount up to \$15,000. The Stipulation of Settlement shall make clear that Plaintiff, Plaintiff's counsel, Defendant, and Defendant's counsel shall not bear any responsibility for errors or omissions in the calculation or distribution of the settlement payments or development of the list of recipients of settlement payments or any increase in the fees of the Settlement Administrator that may result from such errors or omissions.
11. Defendant shall transmit the names and contact information confidentially for all PAGA Members to a mutually agreed upon Settlement Administrator 10 calendar days after the entry of a Court order approving the Settlement (the "PAGA Members List"). The PAGA Members List provided by Defendant to the administrator as part of the administration process shall also list the start and ends dates of employment for PAGA Members, as well as Defendant's best estimates of workweeks worked by each PAGA Member.
12. The Settlement Administrator will be responsible for issuing to PAGA Members an IRS Form 1099 for the portions allocated to penalties and interest.
13. Defendant represented that there are 11,729 workweeks worked by the Aggrieved Employees from the beginning of the PAGA Release Period through July 19, 2023. Plaintiff has relied upon this material representation in entering into this MOU. Should the actual number of PAGA Members who worked within the PAGA Release Period increase beyond 10%, the

MSA shall increase proportionately for each additional PAGA Member.

14. The Parties agree not to issue press releases, communicate with, or respond to, any media or publication entities concerning the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement prior to approval and Entry of Judgment, except as required by law or as shall be contractually required to effectuate the terms of the Settlement as set forth herein. Nothing stated herein shall prohibit Plaintiff's Counsel from discussing the Settlement, the fact of Settlement, and its terms and conditions: (i) with PAGA Members and/or (ii) in court filings, including in their respective firm resumes, and/or (iii) in all necessary motions and supporting memoranda related to approval of the Settlement, or for other PAGA settlements. This provision also does not limit Plaintiff's Counsel (i) from complying with ethical obligations; or (ii) from posting a neutral description of publicly available facts regarding the Settlement, provided that such posting does not expressly identify Defendant by name.
15. Defendant expressly denies any liability. Neither this MOU nor the Stipulation of Settlement shall constitute an admission of liability, or the accuracy of any allegation made by Plaintiff or his counsel.
16. Neither Defendant nor their counsel shall have any liability for any tax implications related to the receipt of settlement funds herein, including by the settlement administrator. Any and all such liability and/or obligations shall be borne solely by the recipients of any funds to be paid by Defendant herein, except that in no case shall any PAGA Member be required to pay, reimburse, or indemnify Defendant for any amounts characterized or recharacterized as employer-side tax liabilities. The Parties acknowledge neither Defendant's nor Plaintiff's counsel have provided any tax-related advice whatsoever.
17. The Parties shall present the Stipulation of Settlement to the Court for Approval through a noticed motion requesting approval of the settlement. Plaintiff shall move expeditiously to file a Motion for Approval after the Parties execute the long-form Stipulation of Settlement, and shall file the Motion within 10 calendar days of mutual execution of the long-form Stipulation of Settlement.

Ramon Rodriguez,
individually, and on behalf of the Aggrieved Employees


Name: Alan J. Boudreau
Title: CEO
Boudreau Pipeline Corporation

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RAMON RODRIGUEZ

07 / 27 / 2023

Ramon Rodriguez,
individually, and on behalf of the Aggrieved Employees

Name: _____
Title: _____
Boudreau Pipeline Corporation