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15 **UNITED STATES DISTRICT COURT**
16 **SOUTHERN DISTRICT OF CALIFORNIA**
17

18
19 ERIC HERRERA, individually, and on
20 behalf of all others similarly situated,

21 Plaintiff,

22 v.
23

24 CORECIVIC OF TENNESSEE, LLC,
a Tennessee limited liability company;
25 and DOES 1 through 50, inclusive,

26 Defendants.
27
28

} Case No. 3:25-cv-02298-GPC-DEB

} **STIPULATION OF CLASS AND**
PAGA SETTLEMENT AND
RELEASE

This Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”) is entered into by plaintiff Eric Herrera, individually and on behalf of all other similarly situated and/or aggrieved individuals (hereinafter referred to as “Plaintiff”), and defendant CoreCivic of Tennessee, LLC (“Defendant”) (collectively with Plaintiff, the “Parties”).

1. DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1.1 “Action”

The case entitled *Eric Herrera v. CoreCivic of Tennessee, LLC*, United States District Court for the Southern District of California Case No. 3:25-cv-02298-GPC-DEB and Plaintiff’s representative lawsuit seeking penalties under PAGA, Santa Clara County Superior Court Case No. 25CV467123.

1.2 “Court”

The United States District Court for the Southern District of California or any other court taking jurisdiction of the Action.

1.3 “Defendant’s Counsel”

Gleason & Favarote, LLP.

1.4 “Effective Date”

The Effective Date means 61 calendar days after all of the following events have occurred: (1) the Stipulation has been executed by all Parties, Settlement Class Counsel, and Defendant's Counsel; (2) the Court has given Final Approval to the Settlement; and (3) the Court has held a Final Settlement Approval Hearing and has entered a Final Order and Judgment, approving the Settlement without substantial modification. It is the parties' intention that the Settlement shall be final for purposes of the Effective Date, if no objections to the Settlement are filed and no one intervenes in the case. In the event that objections are filed or intervention, the Effective Date shall be the later of: (a) the date of final affirmance on an appeal of

1 the Judgment; and the expiration of the time for a petition to review the Judgment or
2 file any other appeal; and, if review is granted, the date of final affirmance of the
3 Judgment following review and the expiration of an appeals period; or (b) the date of
4 final dismissal of any appeal from the Judgment or the final dismissal of any
5 proceeding to review the Judgment; or (c) if no appeal is filed, the expiration date for
6 filing any appeal from the Judgment.

7 **1.5 “Final Approval” or “Final Approval Order”**

8 The Court order granting final approval of the Settlement Agreement.

9 **1.6 “Incentive Award”**

10 An amount not to exceed \$10,000 to be paid to Plaintiff in recognition of his
11 efforts and work in prosecuting the Action on behalf of Settlement Class and PAGA
12 Members, subject to Court approval.

13 **1.7 “Individual Settlement Payment”**

14 Each Participating Settlement Class Member’s pro rata share of the Net
15 Settlement Fund, calculated according to the number of Class Period Workweeks
16 worked during the Class Period.

17 **1.8 “LWDA Payment”**

18 The amount that the Parties have agreed Defendant will pay to the California
19 Labor and Workforce Development Agency (“LWDA”) in the settlement and release
20 of claims brought pursuant to the California Labor Code Private Attorneys General
21 Act of 2004, Cal. Lab. Code §§ 2698, et seq., (“PAGA”). The Parties have agreed
22 that \$80,000 of the Settlement Amount will be allocated to the resolution of claims
23 arising under the PAGA. Pursuant to the PAGA, 65%, or \$52,000, of the LWDA
24 Payment will be paid to the LWDA, and 35%, or \$28,000, of the LWDA Payment
25 will be included in the Net Settlement Fund. The PAGA Settlement Amount will be
26 distributed to PAGA Members regardless of whether they request to be excluded
27 from the Settlement as a Class Member.

1.9 “Net Settlement Fund”

The portion of the Settlement Amount remaining after deducting the Court approved: (i) Settlement Class Counsel Costs, (ii) Settlement Class Counsel Fees, (iii) Settlement Administration Costs, (iv) Incentive Award, and (v) LWDA Payment. There will be no reversion of the Net Settlement Fund to Defendant.

1.10 “Notice of Objection”

A Settlement Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector’s full name, signature, address, and telephone number, and (b) be faxed, emailed, or postmarked before the Response Deadline. The objection may, but is not required to, include a written statement of all grounds for the objection, copies of any papers, briefs, or other documents upon which the objection is based. The date of the fax, email or postmark on the return mailing envelope will be the exclusive means to determine whether an objection has been timely submitted.

1.11 “Notice Packet”

The Notice of Class and PAGA Action Settlement, substantially in the form of Exhibit B to this Agreement.

1.12 “PAGA Members”

All current and former nonexempt employees of Defendant who were employed between May 30, 2024 through December 12, 2025.

1.13 “PAGA Period”

The period from May 30, 2024 through December 12, 2025.

1.14 “PAGA Settlement Amount”

The thirty-five percent (35%), or Twenty-eight Thousand (\$28,000) of the PAGA allocation that will be distributed to PAGA Members.

1.15 “Participating Settlement Class Members”

All Settlement Class Members who do not submit a valid and timely Requests for Exclusion. “Participating Settlement Class Members” also includes all Settlement Class Members who submit valid and timely objections.

1.16 “Preliminary Approval” or “Preliminary Approval Order”

The Court order granting preliminary approval of this Settlement Agreement.

1.17 “Released Claims”

All wage and hour claims, rights, demands, liabilities and causes of action of any nature or description arising from the facts, theories of liability and claims asserted in or contemplated by the Action and/or the claims that could have been asserted in the Action based on the facts ascertained or alleged in the Action, including without limitation, any and all statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated damages, interest, attorneys’ fees, litigation costs, restitution, and equitable or other relief based on the following categories: (a) any and all claims involving any alleged failure to pay the wages required by state or federal law; (b) any and all claims arising under state or federal law involving any alleged failure to pay employees for all hours worked, including but not limited to any claim for minimum, straight time, or overtime wages; (c) any and all claims arising under state or federal law involving any alleged failure to pay wages, including but not limited to any claim involving “off the clock” work or the failure to pay for all time under the employer’s control; (d) any and all claims involving payment of wages; (e) any and all claims involving the failure to correctly calculate or include bonuses, other incentive pay, or compensation of any kind in the “regular rate” of pay or compensation; (f) any and all claims arising under state law involving any alleged failure to properly provide meal periods and/or authorize and permit rest periods, to pay premiums for missed, late, short, unprovided, on-duty, or interrupted meal and/or rest periods, or to pay such premiums at the regular rate of compensation; (g) any and all claims involving

any alleged failure to keep accurate records or to issue proper wage statements to employees; (h) any and all claims involving any alleged failure to timely pay wages, including but not limited to any claim of violation of Labor Code §§ 201 or 202, and any claim for waiting time penalties under Labor Code § 203; (i) any and all claims involving any alleged failure to reimburse for necessary business expenses under Labor Code §§ 2800 or 2802, including but not limited to any claim for the failure to provide and/or reimburse milage, work equipment, personal cellular telephone usage, or for reimbursement of any other necessary business expenses; (j) and any and all claims for unfair business practices in violation of Business and Professions Code sections 17200, et seq. (collectively, the “Released Claims”). The Released Claims include, but are not limited to, all claims arising under the California Labor Code sections 201, 202, 203, 204, 210, 213, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 246, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802; the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code section 17200 et seq.; the California common law of contract; and federal common law. The release excludes the release of claims not permitted by law. The Released Claims cover the time period of July 11, 2023 through April 15, 2026 or the date of preliminary approval of the Settlement, whichever comes first. For the avoidance of doubt, only Class Members (i.e. those who worked from July 11, 2023 to December 12, 2025) are included in this release.

1.18 “Released PAGA Claims”

All claims asserted through California Labor Code §§ 2698, et seq. in the operative Complaint and in Plaintiff’s PAGA Notice Letter, that arise out of or are related to the Released Claims during the PAGA Period, including California Labor Code sections 201, 202, 203, 204, 210, 213, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 246, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, 2698, 2699, 2699.3. A Class Member who is also a PAGA

Member will receive his or her share of the PAGA Settlement Payment regardless of whether the Class Member opts out of the Settlement.

1.19 “Released Parties”

CoreCivic of Tennessee, LLC and as applicable, each of its respective past, present and future agents, employees, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related corporations and/or partnerships (defined as a corporation and/or partnership that is, directly or indirectly, under common control with CoreCivic of Tennessee, LLC), divisions, predecessors, successors, insurers, consultants, employee benefit plans and fiduciaries thereof, and affiliated organizations, and the respective successors and assigns of any of the foregoing persons/entities.

1.20 “Request for Exclusion”

A timely letter submitted by a Settlement Class Member requesting to be excluded from the Settlement Agreement. The Request for Exclusion must be signed by the Settlement Class Member, be returned by fax, email or mail to the Settlement Administrator, and be faxed, emailed or postmarked on or before the Response Deadline. The date of the fax, email or postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Settlement Class Member who does not request exclusion from the Settlement will be deemed to be a Participating Settlement Class Member and will be bound by all terms of the Settlement Agreement if the Court grants Final Approval of the Settlement, meaning that the Participating Settlement Class Member’s Released Claims will be deemed released, barred, and extinguished by the Court’s Final Approval Order and by the operation of law.

1.21 “Response Deadline”

The deadline by which Settlement Class Members must postmark, email or fax to the Settlement Administrator valid Requests for Exclusion or postmark Notices of Objection to the Settlement. The Response Deadline will be 45 calendar days from

1 the Settlement Administrator's initial mailing of the Notice Packet, unless the 45th
2 day falls on a Sunday or federal holiday, in which case the Response Deadline will
3 be extended to the next day on which the U.S. Postal Service is open. The Response
4 Deadline for Requests for Exclusion will be extended 15 calendar days for any Class
5 Member who is re-mailed a Notice Packet by the Settlement Administrator due to an
6 incorrect mailing address, unless the 15th day falls on a Sunday or federal holiday, in
7 which case the Response Deadline will be extended to the next day on which the
8 U.S. Postal Service is open. Under no circumstances will the Settlement
9 Administrator have the authority to unilaterally extend the deadline for Settlement
10 Class Members to submit a Request for Exclusion or Notice of Objection to the
11 Settlement.

12 **1.22 "Settlement Administration Costs"**

13 The costs payable from the Settlement Amount to the Settlement
14 Administrator for administering this Settlement, including, but not limited to,
15 printing, distributing, and tracking documents for this Settlement; calculating
16 estimated Individual Settlement Payments; tax reporting and payments; distributing
17 the Individual Settlement Payments, the LWDA Payment, any Incentive Award and
18 Attorneys' Fees and Costs; and providing necessary reports and declarations, and
19 other duties and responsibilities set forth herein to process this Settlement, and as
20 requested by the Parties. The Settlement Administration Costs will be paid from the
21 Class Settlement Amount, including, if necessary, any such costs over the amount
22 represented by the Settlement Administrator as being the maximum costs necessary
23 to administer the Settlement.

24 **1.23 "Settlement Administrator"**

25 The Parties have agreed on Phoenix Class Action Administrators to administer
26 the Settlement. The Parties each represent that they do not have any financial interest
27 in the Settlement Administrator or otherwise have a relationship with the Settlement
28 Administrator that could create a conflict of interest.

1 **1.24 “Settlement Amount.”**

2 The maximum settlement amount of \$624,550.00 to be paid by Defendant in
3 full satisfaction of all Released Claims, which includes all Individual Settlement
4 Payments to Participating Settlement Class Members, any Incentive Award, the Cost
5 of Administration, the LWDA Payment, the PAGA Settlement Amount, and
6 Attorneys’ Fees and Costs. As to that portion of the Net Settlement Fund (defined
7 below) paid to Participating Settlement Class Members that constitutes wages (20%),
8 the employer portion of applicable employment taxes, shall not be paid from the
9 Settlement Fund.

10 **1.25 “Settlement Class,” “Class,” “Class Member,” or “Settlement Class**
11 **Members.”**

12 Settlement Class Members: all current and former nonexempt employees of
13 Defendants who were employed in California between July 11, 2023 through
14 December 12, 2025. Defendant represents that based on its current knowledge, as of
15 December 12, 2025, there were approximately 51,800 applicable workweeks worked
16 by the Class Members in aggregate and that there are approximately 1,200 Class
17 Members. If, it turns out that as of December 12, 2025, the number of workweeks
18 ends up increasing by more than 8% Defendant shall increase the Total Settlement
19 Amount proportionally (i.e. for an increase of 9% in workweeks, Defendant shall add
20 an extra 1% to the Settlement Amount, for a 10% increase in employees Defendant
21 shall add an extra 2% to the Settlement Amount).

22 **1.26 “Settlement Class Counsel.”**

23 John G. Yslas, Diego Aviles, Harry Erganyan, and Mariam Nazaretyan of
24 Wilshire Law Firm.

25 **1.27 “Settlement Class Counsel Costs.”**

26 The costs approved by the Court for Settlement Class Counsel’s litigation and
27 resolution of the Action, including, but not limited to, costs associated with
28 documenting the Settlement, securing the Court’s approval of the Settlement, and

obtaining entry of the Judgment terminating the Action. Settlement Class Counsel will request costs in an amount not over \$12,000.00. Defendant agrees not to oppose Settlement Class Counsel's request for costs as set forth above.

1.28 "Settlement Class Counsel Fees."

The attorneys' fees approved by the Court for Settlement Class Counsel's litigation and resolution of the Action, including, but not limited to, attorneys' fees associated with the litigation of the Action, including documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court's approval of the Settlement, handling any objections or appeals related to the Settlement, and obtaining entry of the Judgment approving the Settlement.

Settlement Class Counsel will request attorneys' fees not to exceed thirty percent (30%) of the Settlement Amount. Defendant agrees not to oppose Settlement Class Counsel's request for attorneys' as set forth above.

1.29 "Settlement Class List Data."

A complete list of all Settlement Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator within 20 business days after Preliminary Approval of this Settlement. The Settlement Class List will be provided directly to the Settlement Administrator formatted in a Microsoft Office Excel spreadsheet and will include each Settlement Class Member's full name; most recent mailing address if available; Social Security Number; and dates of employment during the Class Period.

1.30 "Settlement Class Period" or "Class Period."

The period from July 11, 2023 through December 12, 2025.

2. TERMS OF AGREEMENT

Plaintiff, on behalf of himself and the Settlement Class, and Defendant, in consideration of the mutual covenants, promises, and undertakings set forth herein agree, subject to the Court's approval, as follows:

1.1.Complaint.

Plaintiff will file a first amended complaint which merges the separately filed PAGA Complaint into the pending federal court case, attached hereto as Exhibit A, which shall be deemed to be the operative Complaint.

2.2 Stipulation to Class Certification for Settlement Purposes Only.

The Parties agree that, for settlement purposes only, the Court shall certify a Settlement Class consistent with this Settlement Agreement. The Parties agree that nothing in this Settlement Agreement, including the Parties' agreement regarding certification for settlement purposes only, is in any way an admission that class certification is proper and that evidence of this limited stipulation for settlement purposes only will not be deemed admissible in this or any other proceeding for any reason. If the Court does not approve the Settlement, despite the Parties' best efforts, this stipulation to certification will be void. The Parties further agree that this Settlement Agreement, and specifically the certification for purposes of settlement, is not a waiver of Defendant's claimed right to oppose certification or assert any of its affirmative defenses in the Action in the event that the Effective Date does not occur.

2.3 Settlement Amount.

Aside from the employer's share of payroll taxes and the escalator clause contained herein, Defendant agrees to pay no more than the Settlement Amount. Defendant will pay no other amounts in connection with this Settlement Agreement.

2.4 Funding of the Settlement Amount.

Within 20 business days after the Effective Date, Defendant will deposit the Settlement Amount into a Qualified Settlement Fund ("QSF") to be established as a trust by the Settlement Administrator. The Settlement Administrator shall then distribute the Individual Settlement Payments, the LWDA Payment, Settlement Class Counsel's Attorneys' Fees and Costs, Plaintiff's Incentive Award, all supplemental tax payments, and a payment to itself for Court-approved services performed in connection with the Settlement. The Parties agree that the amounts held in the QSF

1 will always be treated as a “qualified settlement fund” within the meaning of Treas.
2 Reg. § 1.468B-1, et seq. The Parties further agree that for purposes of Section 468B
3 of the Internal Revenue Code of 1986, as amended (the “Code”) and the Treasury
4 Regulations promulgated thereunder, Defendant shall be treated as the “transferor”
5 within the meaning of Treasury Regulation § 1.468B-1(d)(1), and that the Settlement
6 Administrator shall be the “administrator” of the QSF within the meaning of Treas.
7 Reg. § 1.468B-2(k)(3). The Parties agree that the Settlement Administrator shall, in
8 establishing the trust, make any such elections as necessary or advisable to carry out
9 the “relation back election” (as defined in Treas. Reg. § 1.468B-1(j)(2)(i)) back to
10 the earliest permitted date. Such elections shall comply with the procedures and
11 requirements contained in such regulations. It shall be the Settlement Administrator’s
12 responsibility to timely and properly prepare and deliver the necessary
13 documentation for signature by all necessary Parties, and to cause the appropriate
14 filing to occur. The Parties intend that the transfers to the trust described in this
15 section will satisfy the “all events test” and the “economic performance” requirement
16 of Code Section 461(h)(1) and Treasury Regulation Section 1.461-1(a)(2). The
17 Settlement Administrator shall be responsible for filing tax returns for the trust, if
18 appropriate, including application for employer identification numbers in accordance
19 with Treasury Regulation Section 1.468B-2(k)(4). In the event of Defendant’s failure
20 to make payment within 20 business days of the Effective Date or other material
21 breach, Plaintiff may immediately petition the Court for settlement enforcement, and
22 will be entitled to an award of all fees and costs incurred in conjunction with
23 settlement enforcement.

24 **2.5 Settlement Class Counsel Fees and Settlement Class Counsel Costs.**

25 Defendant agrees not to oppose or impede any application or motion by
26 Settlement Class Counsel for attorneys’ fees of not more than thirty percent (30%) of
27 the Class Settlement Amount, plus the reimbursement of costs and expenses in an
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1 amount not to exceed \$12,000.00, which will be paid from the Settlement Amount
2 provided that such application or motion is consistent with this Settlement
3 Agreement, and approved by the Court. The Court's approval of the Settlement Class
4 Counsel Fees or Costs is not a material term of this Settlement Agreement. If the
5 Court does not approve or approves only a lesser amount than that requested by
6 Settlement Class Counsel, the other terms of this Settlement Agreement shall apply.
7 The Court's refusal to approve the Settlement Class Counsel Fees or Costs as
8 requested by Settlement Class Counsel does not give Plaintiff, Class Members,
9 PAGA Members, or Class Counsel any basis to abrogate this Settlement. Any
10 amount of the Settlement Class Counsel Fees or Costs as requested by Settlement
11 Class Counsel but unapproved by the Court shall be allocated to the Net Settlement
12 Amount.

13 **2.6 Incentive Award.**

14 In recognition of his efforts and work in prosecuting the Action, Defendant
15 agrees not to oppose or impede any application or motion for an Incentive Award of
16 \$10,000 to Plaintiff. The Incentive Award will be paid from the Class Settlement
17 Amount, provided that such application or motion is consistent with this Settlement
18 Agreement and that it is approved by the Court. Plaintiff will be solely and legally
19 responsible to pay all applicable taxes on the payment made pursuant to this section
20 and will indemnify and hold Defendant and the Released Parties harmless from any
21 claim or liability for taxes, penalties, or interest arising as a result of the payment.
22 The Court's approval of the Incentive Award is not a material term of this Settlement
23 Agreement. If the Court does not approve or approves only a lesser amount than that
24 requested by Settlement Class Counsel, the other terms of this Settlement Agreement
25 shall apply. The Court's refusal to approve the Incentive Award as requested by
26 Settlement Class Counsel does not give Plaintiff, Class Members, PAGA Members,
27 or Class Counsel any basis to abrogate this Settlement. Any amount of the Incentive
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Award as requested by Settlement Class Counsel but unapproved by the Court shall be allocated to the Net Settlement Amount.

2.7 Settlement Administration Costs.

The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Class Settlement Amount, the maximum of which is \$15,500.00. These costs, which will be paid from the Class Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing the Notice Packet, calculating and distributing the Settlement Amount and Individual Settlement Payments, administering the QSF, making all of the required employer tax payments, and providing necessary reports and declarations.

2.8 Labor and Workforce Development Agency Payment.

Subject to Court approval, the Parties agree that \$80,000 from the Settlement Amount will be designated for satisfaction of Plaintiff's and Class Members' PAGA claims for civil penalties. Pursuant to the PAGA, 65%, or \$52,000, of the PAGA Settlement Amount will be paid to the LWDA; and 35%, or \$28,000, of the PAGA Settlement Amount will be included in the Net Settlement Amount. The LWDA shall be notified of the existence of the Settlement. If the LWDA objects to the amount of its payment and the Court sustains the objection, or if the Court denies approval of the Settlement Agreement based on the sufficiency of the PAGA Settlement Amount or LWDA Payment, the Parties will negotiate a different portion of the Settlement Amount to be allocated to the PAGA Settlement Payment. In no event will the allocation result in an increase in the Class Settlement Amount. Pursuant to controlling California law, class members who were employed during the applicable PAGA period will not be able to opt-out of receipt of his or her PAGA penalty payment and his/her PAGA rights will be extinguished.

2.9 Net Settlement Amount.

The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Participating Settlement Class Members from the Settlement Class in accordance with the terms of this Settlement, as well as individual PAGA payments to the PAGA Members. No portion of the Net Settlement Amount will revert to or be retained by Defendant.

2.10 Calculation of Individual Settlement Payment.

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of workweeks (i.e., at least one shift during a workweek) a Participating Settlement Class Member is calculated to have worked during the Class Period. A Class Member's Settlement Share will equal the Net Settlement Amount times the ratio of: (i) the number of workweeks worked by the Class Member for Defendant in California as a non-exempt hourly employee from July 11, 2023, through December 12, 2025, to (ii) the total number of workweeks worked by all such Class Members during the Settlement Period (other than those who elected not to participate in the Settlement).

The entire Net Settlement Amount will be disbursed to all Class Members who do not submit a timely and valid Request for Exclusion. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall remove the number of workweeks worked by the excluded individual for Defendant during the Class Period from the total number of workweeks worked by all Class Members, such that 100% of the Net Settlement Amount is distributed pro rata.

2.11 Calculation of the Individual PAGA Settlement Payment.

Class Members who are also PAGA Members will be entitled to receive a portion of the PAGA Settlement Amount, in accordance with the formula set forth below:

A PAGA Members' Settlement Share will equal the PAGA Settlement Amount times the ratio of: (i) the number of pay periods worked (i.e., worked at least

one shift in a pay period) by the PAGA Member for Defendant in California as a non-exempt hourly employee from May 30, 2024 through December 12, 2025 to (ii) the total number of pay periods worked by all such PAGA Members during the PAGA Period.

2.12 No Credit Towards Benefit Plans.

The Individual Settlement Payments made to Participating Settlement Class Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any benefits under any employee benefit plans to which any Settlement Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, service plans, PTO plans, or any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Settlement Class Members may be entitled under any employee benefit plans, contracts or any other agreement or requirements.

2.13 Administration Process.

The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement.

2.14 Delivery of the Settlement Class List Data.

Within 21 calendar days of Preliminary Approval, Defendant will provide the Settlement Class List to the Settlement Administrator. The Settlement Class List Data shall only be used by the Settlement Administrator to notify the Settlement Class Members of the Settlement. This information shall not be disclosed to Class Counsel, Plaintiff, any Class Members or their counsel, or any other third party.

2.15 Notice by First-Class U.S. Mail.

Within 21 calendar days after receiving the Settlement Class List from Defendant, the Settlement Administrator will mail a Notice Packet to all Settlement

1 Class Members via regular First-Class U.S. Mail, using the most recently known
2 mailing addresses identified in the Class List or any updated addresses found by the
3 Settlement Administrator.

4 **2.16 Confirmation of Contact Information in the Settlement Class List.**

5 Prior to mailing the Notice Packets, the Settlement Administrator will perform
6 a search based on the National Change of Address Database for information to
7 update and correct for any known or identifiable address changes. Any Notice
8 Packets returned to the Settlement Administrator as non-deliverable on or before the
9 Response Deadline will be sent promptly via regular First-Class U.S. Mail to the
10 forwarding address affixed thereto and the Settlement Administrator will indicate the
11 date of such re-mailing on the Notice Packet. If no forwarding address is provided,
12 the Settlement Administrator will promptly attempt to determine the correct address
13 using a skip-trace, or other search using the name, address and/or Social Security
14 Number of the Class Member involved, and will then perform a single re-mailing.
15 Those Settlement Class Members who receive a re-mailed Notice Packet, whether by
16 skip-trace or by request, will have the later of: (a) an additional 15 calendar days
17 from the date of re-mailing; or (b) the Response Deadline, to postmark a Request for
18 Exclusion or Notice of Objection to the Settlement. Unless the Settlement
19 Administrator receives a Notice Packet returned from the United States Postal
20 Service as non-deliverable, the Settlement Class Notice shall be deemed mailed and
21 received by the Settlement Class Member to whom it was sent 5 days after mailing.

22 **2.17 Notice Packets.**

23 All Settlement Class Members will be mailed a Notice Packet containing the
24 Notice attached as Exhibit B. Each Notice will provide: (a) information regarding the
25 nature of the Action; (b) a summary of the Settlement's principal terms; (c) the
26 Settlement Class and PAGA Members definitions; (d) each Settlement Class
27 Member's estimated Individual Settlement Payment and the general formula for
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1 calculating Individual Settlement Payments (including the number of Class Period
2 Workweeks and PAGA Pay Periods (if applicable); (e) the dates which comprise the
3 Settlement Class and PAGA Period; (f) instructions on how to submit Requests for
4 Exclusion or Notices of Objection; (g) the deadlines by which the Settlement Class
5 Member must postmark, email or fax Requests for Exclusions or postmark, email or
6 fax Notices of Objection to the Settlement; (h) the claims to be released, as set forth
7 herein; and (i) the date for the Final Approval Hearing.

8 **2.18 Disputed Claims.**

9 All disputes by Class Members regarding the Gross Earnings or Individual
10 Settlement Payment must be addressed to the Settlement Administrator and emailed,
11 faxed or postmarked on or before the Response Deadline. Such disputes will be
12 resolved by the time of the Final Approval Hearing. Defendant's records, however,
13 are presumed to be correct unless a Settlement Class Member proves otherwise with
14 documentary evidence. The Settlement Administrator will evaluate the evidence
15 submitted by the Settlement Class Member and will make the final decision as to the
16 dispute. The decision shall be binding on the Settlement Class Member and no
17 additional rights of appeal shall exist.

18 **2.19 Request for Exclusion Procedures.**

19 Any Settlement Class Member wishing to opt out from the Settlement
20 Agreement must sign and postmark, email or fax a written Request for Exclusion to
21 the Settlement Administrator on or before the Response Deadline. The postmark date
22 on the return mailing envelope, email date or fax receipt confirmation will be the
23 exclusive means to determine whether a Request for Exclusion has been timely
24 submitted. All Requests for Exclusion will be submitted to the Settlement
25 Administrator, who will certify jointly to Settlement Class Counsel and Defendant's
26 Counsel the number of Requests for Exclusion that were timely submitted. All
27 Settlement Class Members who do not submit a valid and timely Request for
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1 Exclusion will be deemed a Participating Settlement Class Member and will be
2 entitled to receive an Individual Settlement Payment.

3 If a Settlement Class Member's Request for Exclusion is defective as to the
4 requirements listed herein, that Settlement Class Member will be given an
5 opportunity to cure the defect(s). The Settlement Administrator will mail the
6 Settlement Class Member a cure letter within three (3) business days of receiving the
7 defective submission to advise the Settlement Class Member that his or her
8 submission is defective, the reason(s) why it is defective and that the defect(s) must
9 be cured to render the Request for Exclusion valid. The Settlement Class Member
10 will have until the later of: (a) the Response Deadline or (b) ten (10) calendar days
11 from the date of the cure letter, whichever date is later, to postmark, email or fax a
12 corrected Request for Exclusion. If the corrected Request for Exclusion is not
13 postmarked, emailed or received by fax within that period, it will be deemed
14 untimely.

15 Not later than five calendar days after the expiration of the deadline for
16 submitting Requests for Exclusion, the Administrator will email a list to Class
17 Counsel and Defense Counsel containing the names of Class Members who timely
18 submitted valid Requests for Exclusion.

19 **2.20 Confidentiality and Publicity.**

20 Neither Plaintiff nor Settlement Class Counsel, directly or indirectly, shall
21 issue a press release or hold a press conference, publish information about the
22 Settlement on any website, or otherwise publicize the Settlement with the exception
23 that the Settlement Administrator may post the Settlement Class Notice, the Order
24 Granting Preliminary Approval, the Final Judgment, and other documents material to
25 the Settlement on its website or other medium. Plaintiff and Settlement Class
26 Counsel agree not to respond to any press inquiries concerning the Settlement except
27 to state, if necessary, that the matter was resolved.

2.21 Revocation of Settlement Agreement.

Only Defendant has the right to withdraw from or rescind the Settlement Agreement, and Defendant shall only have the right to do so if, prior to the Final Approval hearing: (a) 5% or more of all Settlement Class Members submit a valid and timely Requests for Exclusion; (b) the Settlement is construed in such a fashion that Defendant is required to pay more than the Settlement Amount as described herein; or (c) the Court does not certify the Settlement Class or does not certify a class releasing the claims set forth herein, or otherwise makes an order inconsistent with any of the material terms of this Settlement Agreement. If Defendant withdraws or rescinds the Settlement, it will be responsible for paying for all of the Claims Administrator costs incurred, including the costs for any notice that the Court orders to be sent to the Settlement Class Members to inform them of Defendant's withdrawal or rescission.

2.22 Settlement Terms Bind All Settlement Class Members Who Do Not Opt Out.

Any Settlement Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be a Participating Settlement Class Member and will be bound, on their own behalf and on behalf of their respective heirs, administrators, executors, estates, agents, representatives, successors and assigns, by all of the terms of the Settlement Agreement, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it grants Final Approval to the Settlement.

2.23 Objection Procedures.

To object to the Settlement Agreement, a Settlement Class Member must postmark a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline. The Settlement Class Member must sign the Notice of Objection, and the Notice of Objection must contain all information this Settlement

1 Agreement requires. The postmark date will be deemed the exclusive means for
2 determining that the Notice of Objection is timely. Settlement Class Members who
3 fail to object in the manner specified above will be deemed to have waived all
4 objections to the Settlement and will be foreclosed from making any objections and
5 seeking any adjudication or review, whether by appeal or otherwise, to the
6 Settlement Agreement. Settlement Class Members who postmark timely Notices of
7 Objection will have a right to appear at the Final Approval Hearing and have the
8 Court hear their objections. None of the Parties or their counsel will seek to solicit or
9 otherwise encourage Class Members to submit written objections to the Settlement
10 Agreement or appeal from the Final Approval Order. Class Counsel will not
11 represent any Class Members with respect to any such objections to this Settlement.
12 Plaintiff will neither submit a Request for Exclusion nor Notice of Objection to the
13 Settlement.

14 **2.24 Certification Reports Regarding Individual Settlement Payment**
15 **Calculations.**

16 The Settlement Administrator will provide Defendant's counsel and
17 Settlement Class Counsel a weekly report which certifies the number of Settlement
18 Class Members who have submitted valid Requests for Exclusion, any Objections,
19 and whether any Settlement Class Member has submitted a challenge to any
20 information contained in their Notice Packet. Additionally, the Settlement
21 Administrator will provide to counsel for both Parties any updated reports regarding
22 the administration of the Settlement Agreement as needed or requested.

23 **2.25 Administrator's Declaration.**

24 Not later than 14 days before the date by which Plaintiff is required to file the
25 motion for final approval of the Settlement, the Administrator will provide to Class
26 Counsel and Defense Counsel, a signed declaration suitable for filing in Court
27 attesting to its due diligence and compliance with all obligations under this
28 Agreement.

2.26 Settlement Checks.

If a Class Member is entitled to both an Individual Net Settlement Payment and an Individual PAGA Settlement Payment, the Individual Net Settlement Payment and the Individual PAGA Settlement Payment will be combined and distributed as one single check.

2.27 Uncashed Settlement Checks.

Any checks the Settlement Administrator issues to Participating Settlement Class Members will be negotiable for 180 calendar days, after which they will become void. Those funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than 180 calendar days after issuance will be delivered to the California State Controller's Unclaimed Property Fund in the name of the Participating Settlement Class Member as listed on the settlement check.

2.28 Certification of Completion.

Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

2.28 Tax Treatment of Individual Settlement Payments.

All Individual Settlement Payments will be allocated as follows: 20% of each Individual Settlement Payment will be allocated as wages, 80% of each Individual Settlement Payment will be allocated to penalties, interest and expenses. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to non-wages will be reported on an IRS Form-1099 by the Settlement Administrator.

2.29 Administration of Taxes by the Settlement Administrator.

The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Settlement Class Members, PAGA Members, and Settlement Class Counsel any W-2, 1099, or other tax forms as may be required by law for all

amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and required withholdings to the appropriate government authorities.

2.30 Tax Liability.

Defendant and Settlement Class Counsel make no representation as to the tax treatment or legal effect of the payments called for in this Settlement Agreement, and Plaintiff and Participating Settlement Class Members and PAGA Members are not relying on any statement, representation, or calculation by Defendant, Settlement Class Counsel or by the Settlement Administrator in this regard. Plaintiff and Participating Settlement Class Members and PAGA Members understand and agree that, they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein.

2.31 Circular 230 Disclaimer.

EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” IS EACH PARTY TO THIS AGREEMENT, AND AN “OTHER PARTY” IS ANY PARTY OTHER THAN THE ACKNOWLEDGING PARTY) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED

1 UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
2 ATTORNEY TO ANY OTHER PARTY OR ANY ADVISOR TO ANY OTHER
3 PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
4 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER
5 TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE
6 IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR
7 ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
8 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR
9 ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH
10 LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
11 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
12 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION
13 CONTEMPLATED BY THIS AGREEMENT.

14 **2.32 No Prior Assignments.**

15 The Parties and their counsel represent, covenant, and warrant that they have
16 not directly or indirectly assigned, transferred, encumbered, or purported to assign,
17 transfer, or encumber to any person or entity any portion of any liability, claim,
18 demand, action, cause of action or right herein released and discharged.

19 **2.33 Nullification of Settlement Agreement.**

20 If: (a) the Court does not finally approve the Settlement as provided herein; or
21 (b) the Settlement does not become final for any other reason, then this Settlement
22 Agreement and all the terms and agreements contained therein, and any documents
23 generated to bring it into effect, will be null and void, and all amounts deposited into
24 the QSF will be returned to Defendant with the exception of the Claims
25 Administrators' costs incurred. Any order or judgment the Court enters in
26 furtherance of this Settlement Agreement will likewise be treated as void from the
27 beginning.

2.34 Preliminary Approval Hearing.

Plaintiff will obtain a hearing before the Court to request Preliminary Approval of the Settlement Agreement and the entry of a Preliminary Approval Order that: (a) conditionally certifies the Settlement Class for settlement purposes only, (b) preliminarily approves the Settlement Agreement, and (c) sets a date for a Final Approval Hearing.

The Preliminary Approval Order will provide for the Notice Packet to be sent to all Settlement Class Members as specified herein. In conjunction with the Preliminary Approval Hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice Packet, *i.e.*, the proposed Notice of Class and PAGA Action Settlement documents. Settlement Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary Approval with review by and in consultation with Defendant's Counsel. Settlement Class Counsel will also be responsible for sending this Settlement Agreement to the LWDA.

2.35 Final Approval Hearing and Entry of Judgment.

Upon expiration of the deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the Court's permission, a Final Approval Hearing will be conducted to determine whether to grant final approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments; (b) the LWDA Payment; (c) Settlement Class Counsels' Attorneys' Fees and Costs; (d) the Incentive Award; and (e) all Settlement Administration Costs. Settlement Class Counsel will be responsible for drafting all documents necessary to obtain final approval. Settlement Class Counsel will also be responsible for drafting the attorneys' fees and costs and Incentive Award application to be heard at the Final Approval Hearing.

2.36 Judgment and Continued Jurisdiction.

Upon final approval of the Settlement by the Court or after the Final Approval Hearing, the Parties will present the Judgment (Exhibit C) to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction until all payments and obligations provided for in the Settlement have been fully executed solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

2.37 Release by Participating Settlement Class Members.

Upon the Effective Date, the Participating Settlement Class Members will be deemed to have released and forever discharged the Released Parties of the Released Claims.

2.38 Exhibits Incorporated by Reference.

The terms of this Settlement include the terms set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Settlement are an integral part of the Settlement.

2.39 Entire Agreement.

This Settlement Agreement and any attached exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. Except as otherwise provided herein, each party shall bear its own costs and attorneys' fees.

2.34 Amendment or Modification.

This Settlement Agreement may be amended or modified only by a written instrument, to be signed either by authorized representatives of all Parties or their respective successors-in-interest.

1 **2.35 Authorization to Enter into Settlement Agreement.**

2 Counsel for all Parties warrant and represent they are expressly authorized by
3 the Parties whom they represent to negotiate this Settlement Agreement and to take
4 all appropriate action required or permitted to be taken by such Parties pursuant to
5 this Settlement Agreement to effectuate its terms and to execute any other documents
6 required to effectuate the terms of this Settlement Agreement.

7 **2.36 Use of Best Efforts.**

8 The Parties and their counsel will cooperate with each other and use their best
9 efforts to effect and implement all terms and conditions of the Settlement and to
10 exercise their best efforts to accomplish the foregoing terms and conditions of the
11 Settlement. If the Parties are unable to reach agreement on the form or content of any
12 document needed to implement the Settlement, or on any supplemental provisions
13 that may become necessary to effectuate the terms of this Settlement, the Parties may
14 seek the Court's assistance to resolve such disagreement.

15 **2.37 Binding on Successors and Assigns.**

16 This Settlement Agreement will be binding upon, and inure to the benefit of,
17 the successors or assigns of the Parties, as previously defined.

18 **2.38 California Law Governs.**

19 All terms of this Settlement Agreement and exhibits hereto will be governed
20 by and interpreted according to the laws of the State of California.

21 **2.39 Execution and Counterparts.**

22 The Settlement Agreement may be executed in one or more counterparts. All
23 executed counterparts and each of them, including email, facsimile and scanned
24 copies of the signature page, will be deemed to be one and the same instrument
25 provided that counsel for the Parties will exchange among themselves original signed
26 counterparts upon request.

2.40 Acknowledgement that the Settlement Is Fair and Reasonable.

The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after extensive arm's-length negotiations and in the context of adversarial litigation, considering all relevant factors, present and potential. The Parties further acknowledge that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement. Plaintiff agrees not to opt-out or object to the Settlement.

2.41 No Admission of Liability.

Defendant and the Released Parties deny all claims asserted or that could have been asserted on behalf of the Settlement Class and deny all wrongdoing whatsoever. This Settlement Agreement is not a concession or admission, and will not be used against Defendant or any of the Released Parties as an admission or indication with respect to any claim of any fault, concession, or omission by Defendant or any of the Released Parties. Regardless of whether the Settlement Agreement is finally approved, neither the Settlement Agreement, nor any document, statement, proceeding, or conduct related to this Settlement Agreement, nor any reports or accounts thereof, shall in any event be construed as, offered or admitted in evidence as, received as, or deemed to be, evidence of a presumption, concession, indication, or admission by Defendant, or any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage.

2.42 Communications about Settlement.

The Parties and their counsel will keep the Settlement negotiations confidential and will not disclose that information to any third party (including the press) except as set forth herein or unless the Parties otherwise agree in writing. For purposes of this section, third parties shall not include other attorneys, if any, representing Plaintiff in this matter. Except as provided herein, the Parties will keep the Settlement confidential until the filing of the Motion for Preliminary Approval.

1 To the extent any Settlement Class Members inquire regarding the status of the case,
2 the Parties and their counsel may indicate that a tentative settlement has been
3 reached subject to preliminary approval by the Court (or that a settlement has been
4 preliminarily approved, if applicable) but may not disclose the terms prior to the
5 filing of the Motion for Preliminary Approval. Notwithstanding the foregoing,
6 Defendant shall have the right to disclose the terms of the Settlement for accounting,
7 tax, or public filing purposes. Plaintiff and his counsel agree that at no time will they,
8 verbally or in writing, defame or make disparaging remarks or encourage, solicit,
9 induce or entice others to make disparaging remarks about Defendant or the
10 Released Parties unless the Court denies approval of this Settlement and the Parties
11 are unable to negotiate a different settlement.

12 **2.43 Data and Documents Produced by Defendant.**

13 Plaintiff and Settlement Class Counsel agree to keep confidential all data and
14 documents produced by Defendant as “confidential” during discovery or in
15 connection with the mediation and/or settlement of this matter. Unless otherwise
16 ordered by a court or permitted in writing by Defendant, Plaintiff agrees to not
17 disclose the confidential information or documents, and Settlement Class Counsel
18 agrees to not disclose the confidential information or documents under any
19 circumstances except as necessary if threatened with or named in a lawsuit alleging
20 malpractice and/or if their respective malpractice carriers request to see the file or as
21 required by law. Notwithstanding any other provision in this paragraph, Settlement
22 Class Counsel may use the information that they received from Defendant in the
23 motions for preliminary and final approval of the Settlement or if it is needed to
24 uphold the Settlement.

25 **2.44 Full Payment of Attorneys’ Fees and Costs.**

26 Plaintiff and Settlement Class Counsel understand and agree that any
27 attorneys’ fees and costs payments made under this Settlement will be the full, final,
28 and complete payment of all attorneys’ fees and costs related to the Action, including

1 all attorneys' fees and costs arising from or relating to the representation of Plaintiff,
2 the Settlement Class Members, the LWDA, the State of California, or any other
3 attorneys' fees and costs associated with the investigation, discovery, and/or
4 prosecution of the claims released under the Settlement Agreement in both the
5 federal and state court cases. Plaintiff's counsel will release any claim they may have
6 against Defendants and the Released Parties for attorneys' fees or costs arising from
7 or relating to the representation of Plaintiff, the Settlement Class Members, the
8 LWDA, the State of California, or any other attorneys' fees and costs associated with
9 the investigation, discovery, and/or prosecution of the claims released by the
10 Settlement Agreement and the Action. Defendant's sole obligations to Settlement
11 Class Counsel and the Settlement Administrator are set forth in this Settlement. Class
12 Counsel shall not seek to recover any fees or costs awarded in excess of the terms in
13 this Settlement if this Settlement is approved and the Effective Date occurs.

14 **2.45 Invalidity of Any Provision.**

15 Before declaring any provision of this Settlement Agreement invalid, the
16 Court will first attempt to construe the provision as valid to the fullest extent possible
17 consistent with applicable precedents so as to define all provisions of this Settlement
18 Agreement valid and enforceable.

19 **2.46 Waiver of Certain Appeals.**

20 The Parties agree to waive appeals and to stipulate to class certification for
21 purposes of this Settlement only. Either party may appeal any court order that
22 materially alters the Settlement Agreement's terms. Nevertheless, the Parties will
23 expeditiously work together in good faith to address such an order to obtain final
24 approval and entry of Judgment.

25 **2.47 Captions.**

26 The captions and section numbers in this Settlement Agreement are inserted
27 for the reader's convenience, and in no way define, limit, construe or describe the
28 scope or intent of the provisions of this Settlement Agreement.

2.48 Waiver.

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

2.49 Mutual Preparation.

The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms'-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

2.50 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 Class Counsel warrant and represent that there are no liens on the Settlement Agreement or on any amounts to be paid to them under the Settlement Agreements' terms.

2.51 All Terms Subject to Final Court Approval.

All amounts and procedures described in this Settlement Agreement will be subject to final Court approval.

2.52 Cooperation and Execution of Necessary Documents.

All Parties will cooperate in good faith and sign all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

2.53 Binding Agreement.

The Parties warrant that they understand and have full authority to enter into this Settlement, further intend that this Settlement Agreement will be fully

1 enforceable and binding on all parties, and agree that it will be admissible and
2 subject to disclosure in any proceeding to enforce its terms, notwithstanding any
3 mediation confidentiality provisions that otherwise might apply under federal or state
4 law.

5 **2.54 Continuing Jurisdiction**

6 The Parties agree that, after entry of Judgment, the Court will retain
7 jurisdiction over the Parties, Action, and the Settlement solely for the purposes of:
8 (a) enforcing this Agreement and/or Judgment; (b) addressing the settlement
9 administration matters; and (c) addressing any post-judgment matters as are
10 permitted by law.

11 **2.55 Stay of Litigation**

12 The Parties agree that upon the execution of this Agreement the litigation will
13 be stayed, except to effectuate the terms of this Agreement.

14 **2.56 Notice to Parties.**

15 Whenever this Settlement requires or contemplates that one party, the Court,
16 or the Settlement Administrator shall or may give notice to another, notice shall be
17 provided by email facsimile and/or next-day (excluding Sundays and Court holidays)
18 express delivery service as follows:

19 **If to Defendant, then to:**

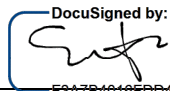
20
21 Torey Joseph Favarote
22 David H. Danning
23 GLEASON & FAVAROTE, LLP
24 3646 Long Beach Blvd., Suite 203
25 Long Beach, California 90807
26 Telephone: (213) 452-0510
27 Facsimile: (213) 452-0514
28 tfavarote@gleasonfavarote.com
ddanning@gleasonfavarote.com

If to Plaintiff, then to:

John G. Yslas
Diego Aviles
Harry Erganyan
Mariam Nazaretyan
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989
john.yslas@wilshirelawfirm.com
diego.aviles@wilshirelawfirm.com
harry.erganyan@wilshirelawfirm.com
mariam.nazaretyan@wilshirelawfirm.com

SIGNATURES - READ CAREFULLY BEFORE SIGNING

Dated: 2/19/2026

DocuSigned by:

F3A7B4016FDB48D...

Eric Herrera on behalf of himself and all others
similarly situated

Dated: 17 February 2026



Cole Carter

CAO/GC

On behalf of Defendant CoreCivic of
Tennessee, LLC

APPROVED AS TO FORM

Dated: February 19, 2026

WILSHIRE LAW FIRM

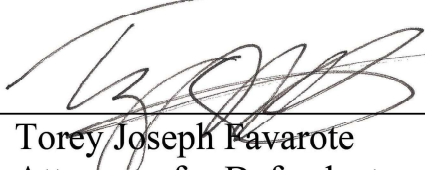
BY:



Diego Aviles

Attorneys for Plaintiff Eric Herrera

1 Dated: February 19, 2026 GLEASON & FAVAROTE, LLP

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3 By: 
4

5 Torey Joseph Favarote
6 Attorneys for Defendants
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FEDERAL DISTRICT COURT OF THE SOUTHERN
DISTRICT OF CALIFORNIA

NOTICE OF CLASS AND PAGA ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

ERIC HERRERA, Individually, and on behalf of other members of the general public similarly situated, Plaintiff, vs. CORECIVIC OF TENNESSEE, LLC, and DOES 1-10, inclusive. Defendants.	CASE No. 3:25-cv-02298-GPC-DEB JUDGE: Hon. Gonzalo P. Curiel DEPARTMENT: Courtroom 2B (2nd Floor) NOTICE OF CLASS AND PAGA ACTION SETTLEMENT AND RELEASE
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I. WHY DID I GET THIS NOTICE?

This notice explains that a settlement has been reached in the case entitled *Eric Herrera v. CoreCivic of Tennessee, LLC*, Case No. 3:25-cv-02298-GPC-DEB (the “Action”).

This notice is to inform you of the proposed settlement of the Action. The notice is also intended to: (i) describe the settlement, including how the settlement monies will be allocated and how the settlement may affect you; and (ii) to advise you of your rights and options with respect to the settlement.

You are receiving this notice by order of the Court because the records of CoreCivic of Tennessee, LLC (hereinafter “CoreCivic”), indicate that you are a current or former employee who worked for CoreCivic of Tennessee, LLC in California during the time period of July 11, 2023 through December 12, 2025 (the “Class”). As a result, **you are eligible to receive a portion of the settlement amount.**

This is **not** a notice of a lawsuit against you. **You are not being sued.** Your participation in the settlement will **not** affect your employment with CoreCivic of Tennessee, LLC in any way whatsoever.

II. WHAT IS THE CLASS/PAGA ACTION LAWSUIT ABOUT?

On March 30, 2025, Eric Herrera, a former CoreCivic employee in California, filed a lawsuit in which he alleged violations of California wage- and-hour laws on a class and representative basis as to all of CoreCivic’s current and former non-exempt employees in California.

The Class Action alleges that the Class was not paid regular, minimum, or overtime wages or final wages upon separation from employment, as required by California law; was not provided legally adequate meal periods and rest breaks under the California Labor Code and Wage Orders; was not reimbursed for all business-related expenses; and was not provided wage statements with all of the information specified in the Labor Code. The Class Action also alleges violations under the California Business and Professions Code §§ 17200 et. seq. based on these same state law claims. The lawsuit also seeks penalties under California’s Private Attorneys General Act (“PAGA”) and California Labor Code.

The individual who is suing is referred to in this document as “Plaintiff.” Plaintiff’s attorneys, Wilshire Law Firm, have been litigating the Action since filing it.

CoreCivic has denied and continues to deny the factual and legal allegations in the case and believes that it has strong defenses to all of Plaintiff's claims. CoreCivic also claims that the Class has been paid all monies due, and maintain that it has complied with all California wage-and-hour laws. This settlement is not an admission of any liability and is not evidence of any wrongdoing, nor does it indicate that any of CoreCivic's policies are unlawful.

The Court has not ruled on whether Plaintiff's allegations have any merit. However, in order to avoid the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, the parties have negotiated a settlement whereby CoreCivic has agreed to pay a total of \$624,550.00. As a Class Member, you are eligible to receive a portion of this amount.

III. WHO IS INCLUDED IN THIS CLASS ACTION?

All current and former non-exempt employees who worked for CoreCivic, Inc or CoreCivic of Tennessee, LLC in California from July 11, 2023 through December 12, 2025 (the "Class Period").

IV. WHAT DOES THE PROPOSED SETTLEMENT OFFER?

Under the terms of the parties' proposed settlement, the following will occur if the settlement is given final approval by the Court:

A. A claims administrator has been appointed by the Court to administer the settlement. The claims administrator will pay: (1) Plaintiff's counsel's attorneys' fees, up to \$187,365.00; (2) Plaintiff's costs of litigation, up to the amount of \$12,000.00; (3) The expenses of administering the settlement, up to the amount of \$15,500.00; (4) An enhancement award of up to \$10,000.00 for Plaintiff's role in pursuing the litigation; and (5) A payment of \$52,000.00 to the California Labor & Workforce Development Agency.

B. The amount remaining after those deductions is estimated to be \$347,685.00, and will be divided among all Class Members and PAGA Members based on the estimated number of workweeks and pay periods worked for CoreCivic of Tennessee, LLC as a non-exempt employee in California by each Class Member during the Class Period and the PAGA Period which is May 30, 2024 through December 12, 2025 (the "PAGA Period").

C. According to CoreCivic's records, you worked for CoreCivic in the State of California for approximately [INSERT NUMBER OF workweeks] and [INSERT NUMBER OF pay periods] during the Class Period and PAGA Period respectively. Your estimated class settlement amount is <<AMOUNT>> and your estimated PAGA settlement amount is <<AMOUNT>>. This is only an estimate. Your actual share may change depending on the Court's final ruling and the final number of participating Class Members. Your PAGA settlement amount and class settlement amount will be combined into one check.

D. If you believe the information above is incorrect, you may dispute this information by sending your corrections and any supporting documentation to the Claims Administrator via U.S. Mail, at [REDACTED]. Please be advised that the information listed above is presumed to be correct unless you prove otherwise.

E. If the Court grants final approval of the settlement and you do not opt out of the Class Action portion of the settlement, then you will release CoreCivic of Tennessee, LLC and as applicable, each of their respective past, present and future agents, employees, officers, directors, partners, trustees clients, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related corporations and/or partnerships (defined as a corporation and/or partnership that is, directly or indirectly, under common control with CoreCivic of Tennessee, LLC and/or CoreCivic, Inc.), divisions, predecessors, successors, insurers, consultants, employee benefit plans and fiduciaries thereof, and affiliated organizations, and the respective successors and assigns of any of the foregoing persons/entities (the "Released Parties") from all wage and hour claims, rights, demands, liabilities and causes of action of any

nature or description arising from the facts, theories of liability and claims asserted in or contemplated by the Action and/or the claims that could have been asserted in the Action based on the facts ascertained or alleged in the Action, including without limitation, any and all statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, and equitable or other relief based on the following categories: (a) any and all claims involving any alleged failure to pay the wages required by state or federal law; (b) any and all claims arising under state or federal law involving any alleged failure to pay employees for all hours worked, including but not limited to any claim for minimum, straight time, or overtime wages; (c) any and all claims arising under state or federal law involving any alleged failure to pay wages, including but not limited to any claim involving "off the clock" work or the failure to pay for all time under the employer's control; (d) any and all claims involving payment of wages; (e) any and all claims involving the failure to correctly calculate or include bonuses, other incentive pay, or compensation of any kind in the "regular rate" of pay or compensation; (f) any and all claims arising under state law involving any alleged failure to properly provide meal periods and/or authorize and permit rest periods, to pay premiums for missed, late, short, unprovided, on-duty, or interrupted meal and/or rest periods, or to pay such premiums at the regular rate of compensation; (g) any and all claims involving any alleged failure to keep accurate records or to issue proper wage statements to employees; (h) any and all claims involving any alleged failure to timely pay wages, including but not limited to any claim of violation of Labor Code §§ 201 or 202, and any claim for waiting time penalties under Labor Code § 203; (i) any and all claims involving any alleged failure to reimburse for necessary business expenses under Labor Code §§ 2800 or 2802, including but not limited to any claim for the failure to provide and/or reimburse mileage, work equipment, personal cellular telephone usage, or for reimbursement of any other necessary business expenses; (j) any and all claims for unfair business practices in violation of Business and Professions Code sections 17200, et seq. (collectively, the "Released Claims"). The Released Claims include, but are not limited to, all claims arising under the California Labor Code sections 201, 202, 203, 204, 210, 213, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 246, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802,; the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code section 17200 et seq.; the California common law of contract; and federal common law. The release excludes the release of claims not permitted by law. The Released Claims cover the time period of July 11, 2023 through April 15, 2026 or the date of preliminary approval of the Settlement, whichever comes first. For the avoidance of doubt, only Class Members (i.e. those who worked from July 11, 2023 to December 12, 2025) are included in this release.

F. PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement Amount, all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. All Aggrieved Employees (current or former non-exempt employees that worked for Defendant in California) during the PAGA Period are deemed to release Defendant from all claims for PAGA penalties asserted through California Labor Code §§ 2698, et seq. in the operative Complaint and in Plaintiff's PAGA Notice Letter, that arise out of or are related to the Released Claims during the PAGA Period, including California Labor Code sections 201, 202, 203, 204, 210, 213, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 246, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, 2698, 2699, 2699.3. A Class Member who is also a PAGA Member will receive his or her share of the PAGA Settlement Payment regardless of whether the Class Member opts out of the Settlement.

V. WHAT ARE MY OPTIONS?

A. *You may accept your share of the settlement and be bound by the release of all claims described above.* You don't have to do anything to participate in the Settlement. Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the Claims Administrator. Your check will remain valid and negotiable for one hundred twenty (180) days from the date on which it is issued. After those one hundred twenty (180) days expire, the check will become void and your settlement amount will be deposited with the California Controller's Unclaimed Property Fund in your name for future retrieval; ***or***

B. You may exclude yourself from the settlement, in which case you will not receive your share of the settlement and you will not be bound by the settlement. If you choose to be excluded, by no later than _____ (45 calendar days after mailing of this Notice), you must send a written request for exclusion, by mail, to the claims administrator, _____. In order to be considered valid, your request for exclusion **must** include your name, a request for exclusion, and your signature. However, even if you choose Option B, you will still release the PAGA Claims and will receive payment from the PAGA settlement amount.

C. You may object to the settlement. The procedures for objecting to the settlement are described below in Section VIII of this form. Only Class Members who do not opt-out can object to the proposed settlement.

VI. WHAT ARE THE PROCEDURES FOR PAYMENT?

A. The claims administrator will calculate your share of the settlement and will issue you a check.

B. Twenty (20%) of your share of the settlement will be considered wages from which ordinary tax withholdings will be deducted. No tax deductions shall be made from the remaining eighty percent (80%), which is allocated to penalties, interest and expenses. You will be given an IRS tax form for each of these amounts. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

C. It is important for the parties to have your current address in order to be able to send you other mailings regarding the Action. You should contact the Claims Administrator to report any change of your address after you receive this Notice. Failure to report a change of address may result in you not receiving your share of the settlement money.

VII. HEARING ON PROPOSED SETTLEMENT

A final fairness hearing will be held before the Court on ___, 2026, at ___ a.m., in Courtroom 2B (2nd Floor) of the Edward J. Schwartz U.S. Courthouse for the Southern District of California, located at 221 West Broadway, Suite 3140, San Diego, CA 92101, to decide whether or not the proposed settlement is fair, reasonable, and adequate. The Court may adjourn or continue the hearing without further notice to you. You are not required to attend the hearing. Wilshire Law Firm (contact information below), counsel for Plaintiff and the Class, will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense. Procedures for making remote appearances at the hearing are allowed, but are subject to change. However, those procedures are posted on the Court's website at: _____. You should check the Court website for up-to-date information before attempting to make a remote appearance.

VIII. PROCEDURES FOR OBJECTING TO SETTLEMENT

You have the option of objecting to the settlement and telling the Court that you don't agree with the settlement or some part of it. The Court will consider your views. To object, you may send a letter, which you must sign, saying that you object to the settlement of *Eric Herrera v. CoreCivic of Tennessee, LLC*, Case No. 3:25-cv-02298-GPC-DEB. Be sure to include the case name and case number (as shown in the preceding sentence), your name, that you object (you may at your discretion provided the specific reasons you object to the terms of the settlement), and your signature. Mail the objection to the Claims Administrator address at _____ or fax to _____ on or before _____, 2026 (45 calendar days after mailing of this notice). A written objection is optional. You may also appear at the Final Approval Hearing, as described in Section VII, above, to have any objections heard by the Court.

IX. EXAMINATION OF COURT PAPERS AND QUESTIONS

This notice summarizes the settlement. For more detailed information, you may view a complete copy of

the settlement agreement, and any papers filed in the Action, which are on file with the Clerk of the Court, case number 3:25-cv-02298-GPC-DEB. The pleadings and all other records from this litigation may be examined by inspecting the Court files in the Edward J. Schwartz U.S. Courthouse for the Southern District of California, located at 221 West Broadway, Suite 3140, San Diego, CA 92101. You may also review the settlement agreement, along with other court records regarding this case, on the Settlement Administrator's website at [\[REDACTED\]](#).

If you have any questions, you can call the Claims Administrator at [REDACTED] or Class Counsel (see below for phone numbers.)

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**PLEASE DO NOT CALL THE COURT, CORECIVIC OF TENNESSEE, LLC
OR THEIR CORPORATE OFFICE, MANAGERS, NOR CORECIVIC'S
ATTORNEYS REGARDING THIS SETTLEMENT.**
