PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Settlement" or "Agreement") is made and entered into between Plaintiff Alexander Paxtor Acabal ("Plaintiff"), in his representative capacity as a private attorney general, and Defendant Crescita Apparel, Inc. ("Defendant"). Plaintiff and Defendant are referred to collectively as the "Parties."

I. DEFINITIONS

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

1. "Action" means the matter entitled *Alexander Paxtor Acabal v Crescita Apparel, Inc.*, Los Angeles County Superior Court Case No. 25STCV15745, and as set forth in Plaintiff's correspondence to the California Labor and Workforce Development Agency ("LWDA Letter").

2. "Aggrieved Employees" means all current and former non-exempt or hourly paid employees who worked for Defendant in California for at least one day during at least one Pay Period during the PAGA Period and who are alleged to have been affected by one or more of the violations alleged in the Complaint and/or LWDA Letter. Defendant represents solely for settlement purposes and without admitting liability or that any person is "aggrieved," that there are approximately **45** Aggrieved Employees.

3. "Complaint" means the First Amended Class and Representative Action Complaint in the Action filed on August 11, 2025.

4. "Court" means the Superior Court of California for the County of Los Angeles.

5. "Approval Date" means the date on which the Court enters an order approving this Agreement and enters judgment on the PAGA claim in accordance with this Agreement.

6. "Effective Date" means: (a) if no appeal, request for appellate review, motion to vacate, or other challenges to the Court's approval order or judgment is filed, the date after the time to bring any such challenge has expired; or (b) if any appeal, request for appellate review, motion to vacate, or other challenge is filed, the date after the approval order and judgment become final and no longer subject to further judicial review. Defendant may elect, in writing, to fund the Settlement before the Effective Date without waiving any rights under this Agreement.

7. "Escalator Threshold" means 1,123 Pay periods, which equals 110% of the 1,021 Pay Periods that Defendant currently estimates were worked by Aggrieved Employees during the PAGA Period, rounded up to the nearest whole Pay Period.

8. "Final Pay Period Count" means the total number of Pay Periods worked by Aggrieved Employees during the PAGA Period, as determined from Defendant's payroll and timekeeping records, after the Court enters the approval order and before Defendant funds the Settlement.

9. "Escalator." Defendant's current records reflect approximately 45 Aggrieved Employees and 1,021 Pay Periods during the PAGA Period. No escalator shall apply unless the Final Pay Period Count exceeds the Escalator Threshold. If the Final Pay Period Count exceeds the Escalator

Threshold, Defendant shall have the sole option, excersiable in writing before funding the Settlement, to either: (a) increase the Gross Settlement Amount by $137.12 for each Pay Period above the Escalator Threshold, with any such increase allocated entirely to the Net Settlement Amount and distributed 65% to the LDWA and 35% to Aggrieved Employees; or (b) shorten the PAGA Period so that the PAGA Released Claims cover only the first 1,123 Pay Periods during the PAGA Period, as determined chronologically from Defendant's payroll records. The number of Aggrieved Employees alone shall not trigger any escalator. No Escalator Payment shall increase Plaintiff's Counsel's attorneys' fees, litigation costs, or Settlement Administrator costs unless Defendant agrees in writing or the Court expressly orders otherwise and Defendant elects not to terminate this Agreement.

10. "Individual PAGA Payment" means the amount to be paid to each Aggrieved Employee based on the formula described herein.

11. "LWDA" means the California Labor and Workforce Development Agency.

12. "Gross Settlement Amount" means the non-reversionary sum of One Hundred Forty Thousand Dollars and Zero Cents ($140,000.00). Except for any Escalator Payment that Defendant elects to make under this Agreement, the Gross Settlement Amount is the maximum total amount Defendant shall pay under this Agreement, the Gross Settlement Amount is the maximum total amount Defendant shall pay under this Agreement and includes all amounts payable for PAGA civil penalties, payments to the LWDA, Individual PAGA Payments to Aggrieved Employees, Plaintiff's Counsel's attorneys' fees and costs, and Settlement Administrator costs. The Gross Settlement Amount does not include, and shall not be used to satisfy, any amount owed under the separate Individual Settlement Agreement resolving Plaintiff's individual claims.

13. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts (if approved by the Court) are subtracted from the Gross Settlement Amount: (a) Plaintiff's Counsel's fees 35 % of the Gross Settlement Amount currently estimated at $49,000.00; (b) Plaintiff's verified costs up to $10,000.00; and (2) verified administration costs up to $15,000.

14. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code§ 2698, *et seq.*

15. "PAGA Period" means the time period from May 29, 2024 up to the Effective Date (the "PAGA Claim Period").

16. "PAGA Released Claims" means any and all claims for civil penalties pursuant to PAGA that were alleged or reasonably could have been alleged based on the facts set forth in the Complaint and/or LWDA Letter which arose during the PAGA Period, including alleged violations of Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 246, 256, 510, 512, 516, 558, 558.1, 1174, 1194, 1197, 1197.1, 1198, and 2802, California Industrial Commission Wage Orders, and all claims for attorneys' fees and costs and statutory interest in connection therewith.

17. "Parties" means Plaintiff and Defendant, collectively.

18. "Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

19. "Plaintiff' means Alexander Paxtor Acabal.

20. "Plaintiff's Counsel" means Ash Bhargava of WorkRight Law, APC.

21. "Defendant" means Crescita Apparel, Inc.

22. "Released Parties" means Defendant Crescita Apparel, Inc. and its related entities, former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

23. "Settlement Administrator" or "Administrator" means IYLM Group, Inc.

II. RECITALS

1. Plaintiff alleges that with regard to the Aggrieved Employees, Defendants: (1) failed to pay minimum wage; (2) failure to pay overtime; (3) failed to provide meal and rest periods; (4) failed to pay all wages due upon termination of employment; (5) failed to timely pay wages; (6) failed to furnish accurate itemized wage statements; and (7) failed to maintain accurate records all of which result in liability for civil penalties under the PAGA.

2. On May 29, 2025, Plaintiff provided the LWDA Letter to the LWDA and Defendant asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of the California Labor Code described in Paragraph II.1 above..

3. On May 29, 2025, Plaintiff filed the initial Class Action Complaint in the Action.

4. On August 11, 2025, Plaintiff filed the operative First Amended Class and Representative Action Complaint, adding a cause of action for civil penalties under the PAGA.

5. During the pendency of the Action, the Parties engaged in an informal discovery exchange prior to mediation. In response to Plaintiff's Counsel's informal discovery requests, Defendants provided Plaintiff's Counsel with information and documents pertaining to Plaintiff and other Aggrieved Employees and the claims in the Action in order for Plaintiff's Counsel to investigate Plaintiff's allegations and value the PAGA claim, including but not limited to timekeeping and payroll data.

6. Between approximately August 11, 2025 and April 23, 2026, the Parties participated in arms length attorney to attorney negotiations. Ultimately, the Parties agreed to fully and finally resolve, subject to Court approval, the PAGA Released Claims as to Plaintiff and the Aggrieved Employees.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement, the settlement negotiations, any settlement communications, any settlement submissions, or any resulting order or judgment shall be construed to be an admission by Plaintiff that Plaintiff's claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved Employees, or any other person, and Defendant specifically disclaims any such liability or wrongdoing. Nothing in this Settlement, the settlement negotiations, any settlement communications, any settlement submissions, or any resulting order or judgment shall be construed to be an admission by Defendant of any liability, wrongdoing, violation, exposure, manageability, certifiability, or entitlement to penalties, fees, costs, or other relief. The Parties have entered into this Settlement solely to avoid the burden, inconvenience, expense, uncertainty, and risks of continued litigation. This Settlement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount; No Additional Payment Obligation.** Subject to the approval and the terms of this Agreement, Defendant shall pay the Gross Settlement Amount. Except for an Escalator Payment that Defendant elects to make under Paragraph III.3, Defendant shall not be required to pay more than the Gross Settlement Amount for any purpose under this Agreement. All attorneys' fees, litigation costs, administration costs, LWDA payments, and Individual PAGA Payments shall be paid from the Gross Settlement Amount. If the Court conditions approval on Defendant paying more than the Gross Settlement Amount, adding non-monetary relief, shortening the release, changing the Released Parties, or otherwise materially changing Defendant's obligations, Defendant may terminate this Agreement.

3. **Escalator.** Defendant's current records reflect approximately 45 Aggrieved Employees and 1,021 Pay Periods during the PAGA Period. No escalator shall apply unless the Final Pay Period Count exceeds the Escalator Threshold. If the Final Pay Period Count exceeds the Escalator Threshold, Defendant shall have the sole option, exercisable in writing before funding the Settlement, to either: (a) increase the Gross Settlement Amount by $137.12 for each Pay Period above the Escalator Threshold, with any such increase allocated entirely to the Net Settlement Amount and distributed 65% to the LWDA and 35% to Aggrieved Employees; or (b) shorten the PAGA Period so that the PAGA Released Claims cover only the first 1,123 Pay Periods during the PAGA Period, as determined chronologically from Defendant's payroll records. The number of Aggrieved Employees alone shall not trigger any escalator. No Escalator Payment shall increase Plaintiff's Counsel's attorneys' fees, litigation costs, or Settlement Administrator costs unless Defendant agrees in writing or the Court expressly orders otherwise and Defendant elects not to terminate this Agreement.

4. **Funding.** Defendant shall fund the Settlement by transmitting the Gross Settlement Amount, and any Escalator Payment Defendant elects to make, to the Settlement Administrator within thirty (30) calendar days after the Effective Date, provided that Plaintiff has executed and has not revoked or rescinded the Individual Settlement Agreement, Plaintiff's Counsel has submitted the proposed Settlement to the LWDA and Court as required by Labor Code section 2699, and the Settlement Administrator has provided complete payment instructions and a completed Form W-9. Defendant's funding of the Settlement shall discharge the Released Parties' payment obligations under this Agreement.

5. **<u>Net Settlement Amount.</u>** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. <u>Plaintiffs Counsel's Fees and Costs.</u> Defendants will not oppose Plaintiff Counsel's request for attorneys' fees in the amount up to Thirty-Five percent (35 %) of the Gross Settlement Amount (currently estimated at $49,000.00), and costs incurred in prosecuting this Action up to $10,000.00. In the event the Court approves a payment of less than these amounts, the difference will be added to the Net Settlement Amount. Released Parties shall have no liability to Plaintiff's Counsel or any other Plaintiff's counsel arising from any claim to any portion any Plaintiff's Counsel Fee Payment and/or Plaintiff's Counsel Litigation Expenses Payment. The Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel. Plaintiff's Counsel assumes full responsibility and liability for taxes owed on the Plaintiff's Counsel Fees Payment and the Plaintiff's Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

b. <u>Settlement Administration Costs.</u> Defendant will not oppose verified Settlement Administrator costs up to $15,000.00, paid from the Gross Settlement Amount. Any amount requested above $15,000.00 shall require Defendant's written approval or a Court order, and Defendant may object to any unsupported, unreasonable, or excessive administration costs. If the Court approves less than the amount requested, the difference will be added to the Net Settlement Amount. The Settlement Administrator will report this payment on IRS Form 1099 issued to the Settlement Administrator.

6. **<u>Allocation of Net Settlement Amount.</u>** The Net Settlement Amount shall be distributed pursuant to California Labor Code section 2699, subdivision (i), as follows:

a. 65% of the Net Settlement Amount shall be distributed to the LWDA.

b. 35% of the Net Settlement Amount shall be distributed to Aggrieved Employees. This portion of the Net Settlement Amount shall be paid to the Aggrieved Employees pro rata based on each Aggrieved Employee's Pay Periods during the PAGA Period. Individual Settlement Payments to Aggrieved Employees shall be calculated and distributed based on their proportionate number of Pay Periods worked during the PAGA Period, by multiplying the Net Settlement Amount by a fraction, the numerator of which is the Aggrieved Employee's total Pay Periods worked during the PAGA Period, and the denominator of which is the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period.

c. The Parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the Parties agree to re-negotiate the allocation of funds in good faith in an effort to obtain approval of the Settlement.

d. The Parties estimate that the release will include approximately 1,021 Pay Periods.

7. **PAGA Released Claims.** Plaintiff agrees that upon entry of an Order approving the Settlement and full payment by Defendant of the Gross Settlement Amount, Plaintiff and all Aggrieved Employees will release any and all PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the Settlement and judgment entered thereon, as well as full payment by Defendant of the Gross Settlement Amount, Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties. This release will become effective upon the Effective Date.

8. **No Right to Opt-Out.** Because this Agreement resolves PAGA claims for civil penalties, Aggrieved Employees shall not have the right to object or opt out of or otherwise exclude themselves from the settlement of claims for civil penalties under PAGA, and upon approval of the Settlement by the Court, each Aggrieved Employee will have released Defendant and each of the Released Parties of and for claims for civil penalties under PAGA released herein and each Aggrieved Employee will be entitled to receive payment, in conformity with the Settlement. If the Court requires notice or permits objections, the Parties shall cooperate in good faith to comply with the Court's order, and Defendant shall retain the right to object to any notice procedure, additional administration cost, shortened release, or other modification that materially changes Defendant's obligations.

9. **Covenants and Representations by Plaintiff and Plaintiff's Counsel.**

a. Plaintiff represents and warrants that Plaintiff has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement.

b. Plaintiff represents and warrants that Plaintiff has not filed or caused to be filed any other PAGA notice or PAGA action against Defendant other than the LWDA Letter and the PAGA claim in this Action.

c. Plaintiff represents and warrants that, to Plaintiff's knowledge and Plaintiff's Counsel's knowledge, there is no pending bankruptcy, lien, assignment, or other proceeding that would affect Plaintiff's authority to enter this Agreement.

d. Plaintiff represents and warrants that Plaintiff has read this Settlement, fully understands Plaintiff's rights, privileges and duties under the Settlement, and enters into this Settlement freely and voluntarily, and without duress.

e. Plaintiff further represents and warrants that Plaintiff had the opportunity to consult with Plaintiff's attorneys to explain the terms of this Settlement and the consequences of signing this Settlement.

f. Plaintiff further represents and warrants that Plaintiff and Plaintiff's Counsel have conducted an adequate investigation sufficient to support submission of the Settlement for Court approval.

10. **Notification to LWDA; Court Approval.** Plaintiff's Counsel shall prepare and file the motion or other request for Court approval of this Agreement and shall provide Defendant's Counsel with the proposed filing papers, proposed order, proposed judgment, and any supporting declaration at least five (5) court days before filing. Plaintiff's Counsel shall submit the proposed Settlement to the LWDA through the PAGA Filing Portal t at the same time the Settlement is submitted to the Court for approval and shall provide Defendant's Counsel with confirmation of that submission. Plaintiff's Counsel shall submit any order or judgment awarding, denying, or approving PAGA civil penalties to the LWDA within ten (10) days after entry and shall provide Defendant's Counsel with confirmation of that submission. The Parties shall cooperate reasonably to obtain Court approval, and perform any and all statutory tasks as required by law.

11. **Termination of Settlement.** If the Court does not approve this Settlement, does not enter judgment, requires a material modification, or if the approval order or judgment is materially modified, reversed, vacated,, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or, except as otherwise set forth herein, if one or more of the material terms of the Settlement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right to terminate this Agreement within ten (10) days after written notice of the event giving rise to termination.. However, terminating, the terminating Party shall meet and confer in good faith to determine whether a mutually acceptable modification can obtain approval. If the Agreement is terminated, it shall become null and void; the Parties shall return to their respective positions immediately before execution; no term, draft, communication, or submission concerning the Settlement shall be admissible except to enforce this Paragraph; and Defendant shall have no obligation to fund the Settlement.

12. **Judgment and Continuing Jurisdiction.** As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed order and judgment which enters judgment on the PAGA claim in accordance with this Agreement, limits the release to the PAGA Released Claims; and provides that the Court retains jurisdiction over the Action, for the purpose of enforcing the terms of the Settlement following approval of the Settlement, pursuant to California Code of Civil Procedure section 664.6. This Settlement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff and Aggrieved Employees.

IV. ADMINISTRATION OF SETTLEMENT

13. **Settlement Administrator.** The Parties agree to use IYLM Group, Inc. to handle the administration of this Settlement.

14. **Provision of Information for Aggrieved Employees.** Within ten (10) business days of the Effective Date, Defendant shall provide the Settlement Administrator with information for the Aggrieved Employees. Defendant will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, total number of Pay Periods or dates of employment, and Social Security number. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Defendant's compilation of the list shall not be construed as an

admission that any person is an Aggrieved Employee, that any violation occurred, or that any person is entitled to relief apart from this Settlement.

Within seven (7) business days of receiving the Aggrieved Employees' information from Defendant, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the estimated individual settlement payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall not mail checks until counsel for both Parties have had a reasonable opportunity to review and approve the calculations, which approval shall not be unreasonably withheld.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses.

Within ten (10) business days of receiving the Aggrieved Employees' information from Defendant, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual Settlement Payments to each Aggreieved Employee and the data used to calculate said payments. The Settlement Administrator shall also determine whether the Escalator Clause has been triggered. The Settlement Administrator shall obtain approval from all counsel for the Parties of the calculations before mailing Individual Settlement Payments. Only after obtaining such approval, theSettlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A** along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra.* The Settlement Administrator shall mail each Aggrieved Employee the mutually approved explanatory letter attached as Exhibit A and the Individual PAGA Payment check by regular First-Class U.S. Mail. Checks will remain negotiable for 180 days from issuance. Each Individual PAGA Payment shall be deemed penalties/interest and reported using IRS Form 1099.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address, using a skip-trace or other similar search, using the name, address and/or Social Security number of the Aggrieved Employee involved and will perform a single re-mailing if a new address is located.

Defendants fully discharges its obligations to those Aggrieved Employees by paying the Gross Settlement Amount to the Settlement Administrator regardless of whether checks thereafter issued by the Settlement Administrator are actually received and/or negotiated by Aggrieved Employees. Funds represented by checks returned as undeliverable after a re-mailing, and funds represented by checks remaining un-cashed for more than 180 days after issuance, will be tendered by the Settlement Administrator to the State Controller's Office under the unclaimed property fund laws in the names of the Aggrieved Employees to whom the checks were issued.

5. **Payment of Remainder.** Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator will distribute the following additional payments: (1) the 65% share of the Net Settlement Amount to the LWDA; (2) Court-approved attorneys' fees and costs to Plaintiff's Counsel; and (3) Court-approved administration costs to the Settlement Administrator.

6. **Final Accounting.** No later than ten (10) business days prior to the Court's Final Accounting Hearing, if scheduled by the Court, or within thirty (30) calendar days after the check-cashing deadline if no hearing is scheduled, the Settlement Administrator will provide counsel for both Parties with a declaration under penalty of perjury under the laws of the State of California, identifying all amounts paid, all checks cashed, all checks uncashed, all funds transmitted to the State Controller, all tax forms issued, and the final balance of the settlement account, if any.

7. **Tax Consequences.** Individual PAGA Payments made under this Settlement will be attributed 100% as penalties and interest and paid via IRS Form 1099 issued to each Aggrieved Employee. No withholding shall be made from Individual PAGA Payments unless required by law. Neither Plaintiff nor Defendant, nor counsel for either of the Parties, makes any representations or warranties with respect to the tax consequences of any payment under this Settlement. Each recipient shall be solely responsible for any taxes, penalties, or interest resulting from any payment received under this Agreement. The Settlement Administrator shall be responsible for issuing all required tax forms for payments it makes.

8. **Discharge of Defendant's Obligations**. After Defendant funds the Settlement, Defendant and the Released Parties shall have no responsibility for the Settlement Administrator's acts, omissions, tax reporting, check issuance, check delivery, check cashing, escheatment, or other administration, except to the extent caused by Defendant's failure to provide required information in good faith.

V. MISCELLANEOUS PROVISIONS

5. **Mutual Preparation and Drafting.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. The Parties agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Plaintiff nor Defendant shall be considered the "drafter" of this Settlement for purposes of having terms construed against that Party. This Settlement will not be construed more strictly against one Party 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 arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.

6. **Successors.** This Settlement shall be binding upon and inure to the benefit of the Parties and the Released Parties and their respective heirs, trustees, executors, assigns, administrators, and successors.

7. **Costs and Fees.** The Parties shall each bear their own costs, attorneys' fees, expert fees, mediator fees and other fees incurred in connection with this Settlement, the Action, and Plaintiff's PAGA claim, except as otherwise set forth specifically herein.

8. **Governing Law and Venue.** This Settlement shall be construed under and governed by the laws of the State of California. This Settlement shall be deemed to have been entered into in the County of Los Angeles, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement, it shall be brought in the State of California, County of Los Angeles.

9. **Complete Agreement.** The Parties each acknowledge and represent that this Settlement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA Released Claims in the Action. This Settlement cannot be amended or modified except by a writing signed by counsel for the Parties hereto.

10. **Nullification of Settlement.** In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions unless otherwise required under this Agreement.

11. **Judgment and Continued Jurisdiction.** After approval of this Settlement, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement. Plaintiff will submit a proposed judgment in conformity with this Agreement to be entered by the Court, which shall constitute a final and binding resolution of the PAGA claim in the Action.

12. **Amendment or Modification.** This Settlement may be amended or modified only by a written instrument, signed by the Parties or their successors-in-interest or counsel for the Parties.

13. **Authorization to Enter into Settlement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

14. **Execution and Counterparts.** This Settlement is subject only to the execution of all Parties. However, the Settlement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will

be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original counterparts.

15. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement is a fair, adequate and reasonable settlement of the PAGA claim in the Action, and. have arrived at this Settlement after arm's-length negotiations by experienced counsel and with the assistance of an experienced mediator. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement. the same instrument.

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

17. **Severability.** If any term or provision of this Settlement is held to be invalid or unenforceable, the remaining portions of this Settlement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

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

19. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and this Settlement has been executed with the consent and advice of counsel and reviewed in full.

20. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms under California Code of Civil Procedure § 664.6 and any other applicable statute or law, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

21. **Denial of Liability.** The Partiesa expressly recognize that the making of this Settlement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Settlement may be used in any

Court proceeding that has as its purpose the interpretation, implementation or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

22. **Confidential.** The Parties agree that this Settlement is confidential (except for purposes of enforcement) and that no Party will issue any press release nor other public or non-public representation regarding the settlement other than as necessary to obtain Court approval and effectuate the terms of the Settlement. The Parties and their counsel agree that they will not initiate or have any contact with the press, respond to any press inquiry, or have any communication with the press about this case.

23. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action, motion, or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the prevailing Party or Parties will be entitled to recover from the non-prevailing Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any action, motion, or other proceeding.

IN WITNESS THEREOF, the Parties each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement and hereby execute it voluntarily and with full understanding of its consequences.

ACCEPTED AND AGREED:

Dated: 05/25/26, 2026

Edwin (May 25, 2026 10:32:47 PDT)
Plaintiff Alexander Paxtor Acabal

Dated: 5/22, 2026

Defendant Crescita Apparel, Inc.

ILHAN PETER KANG
Printed Name

President
Title

<u>EXHIBIT A</u>

Re: ***Payment from Alexander Paxtor Acabal v Crescita Apparel, Inc.*****, Superior Court of California for County of Los Angeles, Case No. 25STCV15745**

SIMID
Name
Address

Dear NAME:

Enclosed, please find a check made payable to you. This is your payment from the settlement of the lawsuit titled *Alexander Paxtor Acabal v Crescita Apparel, Inc.*,Case No. 25STCV15745, pending in the Superior Court of California for the County of Los Angeles (the "Action").

The Action was filed against Defendant Crescita Apparel, Inc ("Defendant") and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* ("PAGA"). The Action was brought by Plaintiff Alexander Paxtor Acabal ("Plaintiff"), a former employee of Defendant, on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

Plaintiff claimed that Defendant owed civil penalties under PAGA for alleged violations of the California Labor Code. The parties have reached a settlement of Plaintiff's claims, and on DATE, the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Defendants who were allegedly affected by the alleged violations of the Labor Code. By agreeing to this settlement, Defendants do not admit that it is liable in any way to current or former employees for any violations of the California Labor Code or any penalties. The Court has not decided the merits of Plaintiff's claims.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller's Unclaimed Property Fund in your name. If you are still employed by Defendants, your decision to cash the check will not affect your employment.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims for civil penalties under the PAGA that were alleged or reasonably could have been alleged based on the facts alleged in Plaintiff's complaint in the Action and/or notice submitted to the California Labor and Workforce Development Agency which arose from May 25, 2024 to (the "PAGA Period"), including alleged violations of California Labor Code sections including alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.7, 246, 256, 510, 512, 516, 558, 558.1, 1174, 1194, 1197, 1197.1, 1198, and 2802, California Industrial Commission Wage Orders, and all claims for attorneys' fees and costs and statutory interest in connection therewith.

If you have any questions, you can contact IYLM Group, Inc., the Settlement Administrator, at (____) ____-_________.

PAGA Settlement Signed 2026.05.22(10504011.1)

Final Audit Report 2026-05-25

Created:	2026-05-25
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Status:	Signed
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