PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff SOPHIA HERRERA ("Plaintiff"), on behalf of herself, and all other similarly situated employees, on behalf of the State of California; and Defendants PRIDESTAFF, INC. ("Pridestaff") and DISTRIBUTION MANAGEMENT, INC. dba SUPPLIES NETWORK ("Supplies Network") (collectively, "Defendants") (collectively with Plaintiff, the "Parties").

1. **DEFINITIONS.**

1.1. "Actions" means Plaintiff's lawsuits alleging Labor Code wage and hour violations against Defendants, including (1) *Sophia Herrera, et al. v. Pridestaff Inc., et al.*, filed on December 30, 2022 in the Superior Court of the State of California, County of Fresno, Case No. 22CECG04217 ("PAGA Action"); and (2) *Sophia Herrera, et al. v. PrideStaff, Inc. et al*, filed on October 27, 2022 in the Superior Court of the State of California, County of Fresno, Case No. 22CECG03411 ("Class Action").

1.2. "Administrator" means Apex Class Action Administration, the neutral entity the Parties agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4. "Aggrieved Employee" means all persons employed by Defendants in California during the PAGA Period and classified as non-exempt hourly employees.

1.5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendants' possession, including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods, and means, including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.7. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.8. "Court" means the Superior Court of California, County of Fresno.

1.9. "Defendants" means named Defendants Pridestaff, Inc. and Distribution Management, Inc. dba Supplies Network, collectively.

1.10. "Defense Counsel" means Shannon R. Finley, Christine Y. Clark, and Jessica C. O'Malley of Pettit Kohn Ingrassia Lutz & Dolin PC, and Jason H. Borchers of Littler Mendelson PC.

1.11. "Effective Date" means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement in the PAGA Action, and the Judgment is final; and (b) the Class Action is dismissed in its entirety without prejudice.

1.12. "Gross Settlement Amount" means $320,000.00, which is the total amount Defendants agree to pay under the Settlement, except as provided in Paragraph 8 below, in full resolution of all Released PAGA Claims and the PAGA Action as provided for under this Settlement. The Gross Settlement Amount will be jointly funded by Defendants in accordance with the allocations in Paragraph 3.1 below. The Gross Settlement Amount will be used to pay the Individual PAGA Payments, LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, PAGA Representative Service Award, and Administration Expenses Payment.

1.13. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties, calculated according to the number of Pay Periods the Aggrieved Employee worked for Defendants during the PAGA Period.

1.14. "Judgment" means the judgment entered by the Court based upon the Approval Order.

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

1.16. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.17. "PAGA Counsel" means James R. Hawkins and Christina M. Lucio of James Hawkins APLC, the attorneys representing Plaintiff in the Action.

1.18. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred by PAGA Counsel to prosecute the Action.

1.19. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendants in California for at least one day during the PAGA Period.

1.20. "PAGA Period" means the period from October 27, 2021 to December 18, 2024.

1.21. "PAGA" means the Private Attorneys General Act of 2004 (Labor Code §§ 2698 et seq.).

1.22. "PAGA Notice" means Plaintiff's October 27, 2022 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.23. "PAGA Penalties" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation

Expenses Payment, PAGA Representative Service Award, and Administration Expenses Payment, to be allocated 25% to the Aggrieved Employees as Individual PAGA Payments and 75% to the LWDA as the LWDA PAGA Payment in settlement of PAGA claims.

1.24. "PAGA Representative Service Payment" means the amount Plaintiff will be paid from the Gross Settlement Amount for her services to the state of California and the Aggrieved Employees in bringing the PAGA Action as the named Plaintiff, and for the risks to her future employment prospects as the named Plaintiff in this Action.

1.25. "Plaintiff" means Sophia Herrera, the named Plaintiff in the Action.

1.26. "Released PAGA Claims" means the claims released by Plaintiff, Aggrieved Employees, and PAGA Counsel, and as described in Paragraph 5 below.

1.27. "Released Parties" means: Defendants and each of their current, former, and/or alleged parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed any Aggrieved Employee, as well as each of their owners, directors, officers, shareholders, managers, executives, principals, employees, agents, representatives, members, attorneys, insurers, and any other predecessors, successors, assigns, subsidiaries, affiliates, or legal representatives.

1.28. "Settlement" means the disposition of the Actions effected by this Agreement and the Judgment.

2. <u>RECITALS</u>.

2.1. On October 27, 2022, Plaintiff filed the Class Action against Defendants in Fresno County Superior Court, and on December 30, 2022, Plaintiff filed the PAGA Action against Defendants in Fresno County Superior Court (Class Action and PAGA Action collectively, the "Actions"). In the Actions, Plaintiff alleges causes of action against Defendants for their alleged (1) failure to pay minimum wages; (2) failure to accurately pay overtime wages; (3) failure to timely pay wages owed upon separation from employment; (4) knowing and intentional failure to comply with itemized wage statement provisions; and (5) failure to keep accurate records. Defendants deny the allegations in the PAGA Notice and the Actions, deny any failure to comply with the laws identified in in the PAGA Notice and the Actions, and deny any and all liability for the causes of action alleged in the Actions.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.

2.3. On December 18, 2024, the Parties participated in an all-day arms-length mediation presided over by respected mediator Lisa Klerman, Esq., which led to mutual acceptance of a mediator's proposal and this Agreement to settle only the PAGA Action.

2.4. Prior to mediation, Plaintiff and PAGA Counsel obtained, through informal discovery, a sampling of pay and time records for the Aggrieved Employees, Defendants' employee handbooks and other policy documents in effect during the PAGA period, and applicable job descriptions for the Aggrieved Employees. Based on the documents produced, as well as PAGA Counsel's own independent investigation and evaluation, PAGA Counsel believe that the Settlement as set forth in this Agreement is fair, reasonable, and adequate and is in the best interest of the Aggrieved Employees and the State of California, in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with further litigation.

2.5. The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants agree to pay $320,000.00 and no more as the Gross Settlement Amount. Of the Gross Settlement Amount, PrideStaff shall be responsible for $80,000.00, and Supplies Network shall be responsible for $240,000.00. Each of the individual payment elements (i.e. Individual PAGA Payments, LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, PAGA Representative Service Award, and Administration Expenses Payment) shall be payable on a pro rata basis by Defendants. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 35% of the Gross Settlement Amount, which is currently estimated to be $112,000.00, and PAGA Counsel Litigation Expenses Payment of not more than $26,000.00. Defendants will not oppose requests for Court approval of these payments, provided that they do not exceed these stated amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the PAGA Penalties. The Released Parties shall have no liability to PAGA Counsel or any other plaintiffs' counsel arising from any claim to any portion the PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more Internal Revenue Services ("IRS") 1099 tax forms. PAGA Counsel assumes full responsibility and liability for taxes owed on any PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of the payments to PAGA Counsel.

3.2.2. To Plaintiff: A PAGA Representative Service Payment not to exceed $2,500.00. To the extent the Court approves an amount less than $2,500.00, the Administrator will allocate the remainder to the PAGA Penalties.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed $4,775.00 except for a showing of good cause and as approved by the Court. To the extent the Administrator's expenses are less or the Court approves an amount less than $4,775.00, the Administrator will allocate the remainder to the PAGA Penalties.

3.2.4. To the LWDA and Aggrieved Employees: Estimated PAGA Penalties in the amount of $174,725.00 to be paid from the PAGA Penalties, with 75% ($131,043.75) allocated to the LWDA PAGA Payment and 25% ($43,681.25) allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' share of PAGA Penalties ($43,681.25) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of their records to date, Defendants estimate the Aggrieved Employees worked approximately 7,859 PAGA Pay Periods. Of these pay periods, Aggrieved Employees of PrideStaff worked a total of approximately 1,528 pay periods.

4.2. Aggrieved Employee Data. Within 14 calendar days of the Effective Date, Defendants will deliver the Aggrieved Employee Data for their respective Aggrieved Employees to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform the Administrator's duties under this Agreement. Defendants have a continuing duty to immediately notify PAGA Counsel and the Administrator if they discover that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than sixty (60) calendar days after the Effective Date. Each Defendant shall be responsible for their pro rata portion of the Gross Settlement Amount.

4.4. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all the Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date when the check will be voided (180 days after the date of mailing). The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the Aggrieved Employees' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without a USPS forwarding address. Within seven (7) calendar days of receiving a returned check, the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered a second time. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, at the request by the Aggrieved Employee prior to the void date.

4.4.3. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on IRS 1099 tax forms by the Administrator.

4.4.4. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.5. The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS**. Effective on the date when Defendants fully fund the Gross Settlement Amount, Plaintiff, the Aggrieved Employees, and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Release by Plaintiff and Aggrieved Employees:

Plaintiff and the Aggrieved Employees, as well as their successors, assigns, heirs, administrators, representatives, attorneys, and agents, shall be deemed to have fully and finally released and discharged the Released Parties from the "Released PAGA Claims." For purposes of this Agreement, the "Released PAGA Claims" are defined as all claims for PAGA penalties, attorneys' fees, costs, or interest recoverable under PAGA that were alleged, or reasonably could have been alleged, in the Actions, arising during the PAGA Period based on the facts stated in the PAGA Notice and/or in the Actions, including, but not limited to, violations of California Labor Code sections 201, 202, 203, 204, 210, 216, 225.5, 226, 226.3, 510, 512, 558, 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198, as well as all associated statutes and applicable Industrial Welfare Commission ("IWC") Wage Orders, for failure to pay wages due, including minimum, regular, and overtime wages; failure to timely pay all wages due upon separation of employment; failure to provide accurate and itemized wage statements; and failure to maintain requisite payroll records.

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT**. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiff's Responsibilities. PAGA Counsel will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subd. (f)(2), including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its competency, willingness to serve as the Administrator, operative procedures for protecting the security of Aggrieved Employee Data, amounts of insurance coverage for any data breach or defalcation of funds or other misfeasance, all facts relevant to any actual or potential conflicts of interest with any Aggrieved Employees or the LWDA, and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel, or Defense Counsel; (iii) a signed declaration from PAGA Counsel attesting to their timely transmission to the LWDA of all necessary PAGA documents (including the initial notice of violations (Labor Code section 2699.3, subd. (a)), operative complaint in the PAGA Action (Labor Code section 2699, subd. (l)(1)), and this Agreement (Labor Code section 2699, subd. (l)(2))); and (iv) all facts relevant to any actual or potential conflict of interest with any Aggrieved Employees and/or the Administrator. Defense Counsel shall inform Plaintiff and PAGA Counsel whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. In their declarations, Plaintiff and PAGA Counsel shall confirm that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than thirty (30) calendar days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action Administration ("Apex") to serve as the Administrator and verified that, as a condition of appointment, Apex agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under U.S. Treasury Regulation section 468B-1.

7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE. Based on their records, Defendants estimate that, as of the date of the execution of this Agreement, the Aggrieved Employees worked 7,859 Pay Periods for Defendants in California during the PAGA Period, 1,528 of which were worked by PrideStaff's temporary placements. The Parties agree that if the actual number of PAGA Pay Periods from October 25, 2021 to December 18, 2024 is more than ten percent (10%) greater than each Defendant's respective pay periods allocations (1,528 for PrideStaff and 6,331 for Supplies Network [7,859 total pay periods]), (i.e. exceeds 1,681 and 6,964 pay periods, respectively [8,645 total pay periods]), then Defendants, at their sole discretion, shall have the option of either: (1) agreeing to increase the Gross Settlement Amount by $40.72 (i.e., $320,000 divided by 7,859 pay periods) per pay period to the extent their respective apportioned PAGA Pay Periods exceed their apportioned amount by more than 10%; or (2) electing to close the PAGA Period at the end of the first pay period in which their respective apportioned PAGA Pay Periods exceed 1,681 and 6,942 pay periods, respectively.

9. **CONTINUING JURISDICTION OF THE COURT**. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or the Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Dismissal of the Action. The Parties agree that the Class Action shall be dismissed without prejudice upon Defendants' funding of the Gross Settlement Amount. The Parties further agree that the PAGA Action shall be dismissed with prejudice 275 days following entry of the Approval Order if all terms of the Settlement have been satisfied.

9.2 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, as well as the right to file motions to vacate a judgment, motions for a new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the PAGA Penalties.

10. **ADDITIONAL PROVISIONS**.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the PAGA Notice or the Actions have merit or that Defendants have any liability for any claims asserted, or could have been asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Actions have merit. The Parties agree that representative treatment of the PAGA Action is for purposes of this Settlement only. If, for any reason, the Court does not approve this Settlement, the Parties shall be returned to their original respective positions, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendants' defenses. The Settlement, this Agreement, and the Parties' willingness to settle the PAGA Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2 Integrated Agreement. Upon execution by all Parties and their respective counsel, this Agreement, together with any attached exhibits, shall constitute the entire agreement between the Parties relating to the Settlement of the Actions, superseding any and all prior oral representations, warranties, covenants, or inducements made to or by any Party.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this

Agreement to effectuate its terms, and to execute any documents reasonably required to effectuate the terms of this Agreement, including any amendments to this Agreement.

10.4 Cooperation. The Parties and their respective counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement and submitting supplemental evidence and points and authorities, as requested by the Court. In the event that the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Parties in this Settlement.

10.6 No Tax Advice. Neither Plaintiff and PAGA Counsel, nor Defendants and Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.9 Applicable Law. All terms and conditions of this Agreement, and its exhibits, will be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.

10.10 Cooperation in Drafting. The Parties and their respective counsel have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

10.11 Confidentiality. To the extent permitted by law, all agreements made and orders entered during the Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

10.12 Limitation on Publicity. Plaintiff and PAGA Counsel agree not to issue press releases or engage in any publicity regarding the Settlement, except as shall be contractually required to effectuate the terms of the Settlement and respond to inquiries received from Aggrieved Employees. Nothing herein shall prevent PAGA Counsel from stating publicly available information in an adequacy declaration in future matters.

10.13 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to California Evidence Code section 1152, and all copies and summaries of the Aggrieved Employee Data provided to PAGA Counsel by Defendants and/or Defense Counsel in connection with the mediation, other settlement negotiations, or the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. No later than 90 calendar days after the Administrator discharges its obligation to pay out all Settlement funds, Plaintiff and PAGA Counsel shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants and/or Defense Counsel unless, prior to the Administrator's payment of all Settlement funds, Defendants make a written request to PAGA Counsel for the return, rather than the destruction, of the provided Aggrieved Employee Data.

10.14 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

10.15 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event that any date or deadline set forth in this Agreement falls on a weekend or federal or California legal holiday, such date or deadline shall be continued to the first business day thereafter.

10.16 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by U.S. mail, or the day sent by email or personal messenger, addressed as follows:

To Plaintiff:

James R. Hawkins
james@jameshawkinsaplc.com
Christina M. Lucio
christina@jameshawkinsaplc.com
JAMES HAWKINS, APLC
9880 Research Drive, Suite 200
Irvine, CA 92618

To Defendants:

Jason H. Borchers
jborchers@littler.com
LITTLER MENDELSON, P.C.
5200 North Palm Avenue, Suite 302
Fresno, California 93704

Shannon R. Finley
sfinley@pettitkohn.com
Christine Y. Clark
cyclark@pettitkohn.com
Jessica C. O'Malley
jomalley@pettitkohn.com
PETTIT KOHN INGRASSIA LUTZ & DOLIN PC
11622 El Camino Real, Suite 300
San Diego, CA 92130

10.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email, which for purposes of this Agreement shall be accepted as an original. All executed counterparts will be deemed to be one and the same instrument. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.18 Stay of Litigation. The Parties agree that, upon the execution of this Agreement, the Actions shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that, upon the execution of this Agreement, pursuant to California Code of Civil Procedure section 583.330, the date to bring a case to trial under California Code of Civil Procedure section 583.310 shall be extended for the entire period necessary to effectuate the terms of this Agreement.

WHEREFORE, Plaintiff, as representative of herself and Aggrieved Employees, and Defendants, have executed this Agreement as of the dates set forth below.

Dated: 08/28/25

Sophia Herrera (Aug 28, 2025 11:20:22 PDT)

Plaintiff Sophia Herrera

Dated: 08/28, 2025

James R. Hawkins, Esq.
Christina M. Lucio, Esq.
Counsel For Plaintiff

Dated: ________, 2025

For Defendant Pridestaff, Inc.

Dated: 8/26, 2025

Jason H. Borchers, Esq.
Counsel For Defendant Pridestaff, Inc.

Dated: 15 August, 2025

For Defendant Distribution Management, Inc. dba Supplies Network

Dated: August 22, 2025

Shannon R. Finley, Esq.
Christine Y. Clark, Esq.
Jessica C. O'Malley, Esq.
Counsel For Defendant Distribution Management, Inc. dba Supplies Network

EXHIBIT A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>
<<ADDRESS 1>>
<<ADDRESS 2>>

Re: Payment From *Sophia Herrera v. Pridestaff Inc., et al.*

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is a payment from the settlement of the lawsuit entitled *Sophia Herrera v. Pridestaff Inc.*, et al., Superior Court of California, County of Fresno, Case No. 22CECG04217.

The Action was filed against Pridestaff, Inc. and Distribution Management, Inc. dba Supplies Network (collectively, "Defendants") pursuant to the California Labor Code Private Attorneys General Act of 2004, Cal. Labor Code § 2698 et seq. ("PAGA"). The claims were brought by a former employee on behalf of the State of California and all current and former non-exempt hourly employees who are or were employed by Defendants in California at any time from October 27, 2021 through December 18, 2024. You have been identified as one of the employees on whose behalf the case was brought.

The plaintiff in the Action claimed that Defendants owed penalties under PAGA for alleged violations of the California Labor Code related to: (1) failure to pay minimum wages; (2) failure to accurately pay overtime wages; (3) failure to timely pay wages owed upon separation from employment; (4) knowing and intentional failure to comply with itemized wage statement provisions; (5) failure to keep accurate records; and (6) failure to provide lawful meal periods. The lawsuit sought civil penalties consisting of statutorily authorized amounts awarded on a per employee basis. Defendants deny that they did anything wrong or that they owe any penalties.

The Court has not ruled on the merits of the lawsuit but it has approved the civil penalties settlement amount to be paid by Defendants. A portion of that settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the settlement amount goes to the current and former employees who were allegedly affected by Defendants' wage and hour practices at issue in the case. In agreeing to this settlement, Defendants do not admit that they are liable in any way to their current or former employees for the alleged wage and hour violations.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. You are not a party to this lawsuit, but you and the government are bound by the judgment in this matter as to civil penalties. If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very truly yours,

[Administrator]