

PAGA SETTLEMENT AGREEMENT¹

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Alexandria Riley, an individual, (“Riley”) and Christina Mitchell, an individual, (“Mitchell”) (collectively, Riley and Mitchell shall be referred to as the “Plaintiffs”) and Defendants People Creating Success, Inc., a California corporation, (“PCS, Inc.”) and People Creating Success - Antelope Valley, LLC, a California limited liability company, (“PCS - AV”) (collectively, PCS, Inc. and PCS - AV shall be referred to as “PCS”). The Agreement refers to Plaintiffs and PCS collectively as “Parties” or individually as “Party”.

1. **DEFINITIONS.**

- 1.1. “Action” or the “Mitchell Action” means the PAGA lawsuit alleging various wage and hour violations against PCS, Case No. 23STCV08327, initiated on or around April 14, 2023 and pending in Superior Court of the State of California, County of Los Angeles filed by Mitchell as original PAGA representative.
- 1.2. “Administrator” means Simpluris, the neutral entity the Parties have 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 a person employed by PCS in California and classified as a non-exempt employee who worked for PCS during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in PCS’s 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. “Court” means the Superior Court of California, County of Los Angeles in which the Mitchell Action was filed.
- 1.8. “Defense Counsel” means The Small Business Law Firm, P.C., counsel of record for PCS in the Action.
- 1.9. “Effective Date” means the date by when both of the following have occurred: (a) the

Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment plus 61 days (the number of days in which the time to appeal has elapsed) or, (b) in the event of any appeal, the date upon which the appeal is fully and finally dismissed without any material changes being made to the terms of this agreement.

- 1.10. "Gross Settlement Amount" means \$245,000.00 which is the total amount PCS agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.
- 1.11. "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 during the PAGA Period.
- 1.12. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.13. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.14. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.15. "Net Settlement Amount" 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, Service Awards to Plaintiffs, and the Administration Expenses Payment. The remainder is to be the PAGA Penalties, 25% of the PAGA Penalties paid to the Aggrieved Employees who worked during the PAGA Period, and 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.16. "PAGA Counsel" means Falakassa Law. P.C., Bokhour Law Group, P.C., Moon Law Group, PC.
- 1.17. "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 to prosecute the Action.
- 1.18. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for PCS for at least one day during the PAGA Period.
- 1.19. "PAGA Period" means the period from April 6, 2022 to March 1, 2024.
- 1.20. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

- 1.21. "PAGA Notice" means Mitchell's April 6, 2023 letter to PCS and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.22. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA.
- 1.23. "Plaintiffs" means Riley and Mitchell, collectively.
- 1.24. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.25. "Released PAGA Claims" means the claims being released by the Plaintiffs and PAGA Counsel and as described in Paragraph 5 below.
- 1.26. "Released Parties" means: PCS and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, affiliates, parent entities, co-employers, attorneys, employees, and their employee benefits plans and programs and their administrators and fiduciaries, each individually and in their business capacities.
- 1.27. "Riley Action" mean's Riley's PAGA lawsuit alleging various wage and hour violations against PCS, Inc., Case No. 56-2022-00571117-CU-OE-VTA, initiated on or around October 13, 2022.
- 1.28. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.29. "PCS" means named Defendants People Creating Success, Inc. and People Creating Success - Antelope Valley, LLC, collectively.
- 1.30. "Service Awards" means the amounts requested for Plaintiffs for their service as representatives and for prosecuting this Action.

2. RECITALS.

- 2.1. On October 13, 2022, Riley commenced the Riley Action by filing a Complaint alleging causes of action against PCS, Inc. for (i) Failure to Pay Minimum Wages (Cal. Labor Code §§ 204, 1194, 1194.2), (ii) Failure to Pay Overtime Compensation (Cal. Labor Code §§ 1194 and 1198), (iii) Failure to Provide Meal Periods (Cal. Labor Code §§ 226.7, 512), (iv) Failure to Authorize and Permit Rest Breaks (Cal. Labor Code § 226.7), (v) Failure to Indemnify Necessary Business Expenses (Cal. Labor Code § 2802), (vi) Failure to Timely Pay Final Wages at Termination (Cal. Labor Code §§ 201-203), (vii) Failure to Provide Accurate Itemized Wage Statements (Cal. Labor Code § 226), and (viii) Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, *et seq.*) on both an individual and class basis (collectively, the "Riley Claims"). On December 14, 2022, Riley filed a First Amended

Complaint dismissing the individual and class claims and alleging a PAGA representative cause of action against PCS, Inc. for alleged violations of California Labor Code derivative of the Riley Claims. The First Amended Complaint is the operative complaint in the Riley Action (the “Riley PAGA Complaint.”). PCS denies the allegations in the Riley PAGA Complaint, denies any failure to comply with the laws identified in the Riley PAGA Complaint and denies any and all liability for the causes of action alleged. Moreover, Riley filed her PAGA notice on October 9, 2022, but her employment with PCS ended in April 2021, subjecting the Riley PAGA Complaint to dismissal for being barred by PAGA’s one-year statute of limitations. (See *Brown v. Ralphs Grocery Co.* (2018) 28 Cal.App.5th 824, 839, citing Cal. Code of Civ. Proc., § 340(a).) Accordingly, although this Agreement settles globally the Riley Action and the Mitchell Action, negotiations have been based on that PAGA period established by the date of filing of Mitchell Action (the PAGA Period, as defined under this Agreement). For this reason, the Parties have agreed to dismiss the Riley Action and add Plaintiff Riley to the Mitchell Action for the PAGA approval purposes.

- 2.2. On April 14, 2023, Mitchell commenced the Mitchell Action by filing a Complaint alleging causes of action against PCS for (i) Failure to Pay All Minimum Wages (Cal. Labor Code §§ 204, 1194, 1194.2), (ii) Failure to Pay All Overtime Wages (Cal. Labor Code §§ 1194 and 1198), (iii) Meal Period Violations (Cal. Labor Code §§ 226.7, 512), (iv) Rest Break Violations (Cal. Labor Code § 226.7), (v) Failure to Reimburse for Necessary Business Expenditures (Cal. Labor Code § 2802), (vi) Sick Pay Violations (Cal. Labor Code § 246), (vii) Wage Statement Violations (Cal. Labor Code § 226), (viii) Waiting Time Penalties (Cal. Labor Code §§ 201-203), and (ix) Unfair Competition (Cal. Bus. & Prof. Code §§ 17200, *et seq.*) on both an individual and class basis (collectively, the “Mitchell Claims”). On September 18, 2023, Riley filed a First Amended Complaint dismissing the individual and class claims and alleging a PAGA representative cause of action against PCS for alleged violations of California Labor Code derivative of the Mitchell Claims. The Parties will stipulate to Mitchell’s filing a Second Amended Complaint naming Riley as an additional representative in the Mitchell Action. Mitchell shall file such stipulation within five (5) business days of this Agreement’s mutual execution and then shall file the Second Amended Complaint within five (5) business days of the Court’s granting leave to amend the filing of the Second Amended Complaint. This Second Amended Complaint will be the operative complaint of the Mitchell Action (the “Operative Complaint”), upon which the Parties will move for approval of the PAGA settlement. PCS denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged
- 2.3. Pursuant to Labor Code section 2699.3, subd.(a), Mitchell gave timely written notice to PCS and the LWDA by sending the PAGA Notice.
- 2.3. On February 9, 2024, the Parties participated in an all-day mediation presided over by Todd Smith, Esq. which led to further negotiations and exchange of informal discovery, eventually leading to this Agreement to settle the Action

2.4. Prior to mediation and during post-mediation negotiations, Plaintiffs obtained through informal discovery:

- (i) All PCS employee records pertaining to Riley and Mitchell (including all personnel records, actual wage statements, all work schedules, and all timekeeping and payroll records.
- (ii) The current employee handbooks, and copies of any versions that were in effect at any time since October 9, 2021.
- (iii) The total number of currently employed aggrieved employees employed in California by PCS.
- (iv) The total number of formerly employed aggrieved employees employed in California by PCS during the PAGA Period.
- (v) The total number of pay periods worked by all aggrieved employees during the PAGA Period.
- (vi) A ten percent (10%) sampling of all timekeeping records, and corresponding payroll records for all aggrieved employees employed in California by PCS during the PAGA Period.
- (vii) All documents (including, email communications and internal memoranda) that describe PCS's policies or practices regarding the legal claims and factual allegations in the Complaints, including rest breaks, meal breaks, the recordation of and compensation for all hours worked, eligibility and payment of overtime, types of bonuses, criteria to receive bonus, on call duties, reimbursement of business expenses and issuance of final pay checks to aggrieved employees.
- (viii) An exemplar of each version of any meal period waiver and/or on-duty meal period agreement that applied to any aggrieved employee, and the total number of how many aggrieved employees signed meal period waivers and/or on-duty meal period agreements, if any, during the PAGA period.
- (ix) The amount paid by Defendant to aggrieved employees for meal and rest period premium wages since October 9, 2021.

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 9 below, PCS promises to pay \$245,000.00 and no more as the Gross Settlement Amount. PCS has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 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 PCS.

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 Final Approval:

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third (33.33%) which is currently estimated to be \$81,658.50 and PAGA Counsel Litigation Expenses Payment of not more than \$25,000.00. PCS will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs 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 Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any 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 IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds PCS harmless, and indemnifies PCS, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$10,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$ 10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties to be paid from the Net Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties 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 Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

- 3.2.3.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. **Aggrieved Employee Pay Periods.** Based on a review of its records to date, PCS estimates there are 469 Aggrieved Employees who worked a total 12,338 of PAGA Pay Periods during the PAGA Period.
- 4.2. **Aggrieved Employee Data.** Within 15 business days, PCS will simultaneously deliver the Aggrieved Employee Data 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 under this Agreement. PCS has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which PCS 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.** PCS shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the Effective Date.
- 4.4. **Payments from the Gross Settlement Amount.** Within 14 days after PCS funds the Gross Settlement Amount, the Administrator will mail checks for all 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 (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement

Administrator must update the recipients' 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 USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks 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. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.
- 4.4.3. 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.
- 4.4.4. The payment of Individual PAGA Payments shall not obligate PCS 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.
- 4.4.5. Plaintiffs will seek representative enhancements of not more than \$7,500.00 each (each, a Service Award). Defendant will not oppose Plaintiffs' request for this payment provided that it does not exceed this amount. In exchange for Plaintiffs' providing a complete, general release of all claims in addition to their service as representatives in the Action, Plaintiffs and/or PAGA Counsel will file an application or motion for Plaintiffs' Service Awards. If the Court approves an amount less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Tax deductions and withholdings will not be taken from Plaintiffs' Service Awards. The Service Awards will be reported on IRS form 1099.

5. RELEASES OF CLAIMS. Effective on the date when PCS fully funds the entire Gross Settlement Amount Plaintiffs and PAGA Counsel will release claims against all Released Parties as follows:

- 5.1 Plaintiffs' Release. In consideration of the payments received pursuant to Section 4.4.5 and other covenants and promises of PCS under this Agreement, Plaintiffs, and each of them, and their respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences relating to Plaintiffs' employment with PCS, including, but not limited to all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint, the PAGA Notice, or the Mitchell Claims ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits,

disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

- 5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Riley Claims, the Mitchell Claims, the Riley PAGA Complaint, the Operative Complaint and the PAGA Period, including those facts stated in or arising from the same.

5.4 Dismissal of Riley Action:

Upon the Effective Date, the Parties shall take no further action as to the Riley Action except as provided in this Agreement, as necessary to perform or enforce the terms of this Agreement, or as required by the Riley court. Within 5 business days of filing the Second Amended Complaint in the Mitchell Case adding Riley as an additional representative, Riley shall file a Request for Dismissal without prejudice of the Riley PAGA Complaint. Riley shall follow up with the Riley court and take actions as needed to ensure said Request for Dismissal is filed and conformed by the Riley court, including without limitation drafting and filing of any declarations as may be required to ensure dismissal is approved by the Riley court. In the event the Second Amended Complaint is not filed before the October 8, 2024 Demurrer hearing currently reserved in the Riley court, Riley and PCS shall draft a stipulation to continue the hearing to a date 60 to 90 days later

and Riley shall submit such stipulation to the Riley court. In the event approval of the PAGA settlement is not ordered by the Court before the Demurrer hearing in the Riley Action, Riley and PCS shall draft a stipulation to continue the hearing to a date 60 to 90 days later and Riley shall submit such stipulation to the Riley court. In the event PCS fails to pay the Gross Settlement Amount on the date due, Riley's remedy shall be to enforce this Agreement with the Court subject to the Court's retention of jurisdiction designation in Section 9 of this Agreement.

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 Plaintiffs' Responsibilities.** Plaintiffs 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 willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiffs, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)) (subject to Section 5.4); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiffs and PAGA shall aver 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 PAGA 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 30 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 Preliminary Approval 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 in person or by telephone, and 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 in person or by telephone, and 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 Simpluris to serve as the Administrator and verified that, as a condition of appointment, Simpluris 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 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 US 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 its records, PCS estimates that, as of the date of this Settlement Agreement, (1) there are 469 Aggrieved Employees who worked 12,338 Pay Periods during the PAGA Period. The Parties agree that in the event the amount of Pay Periods during the PAGA Period exceeds 12,500 by more than ten percent (10%) (i.e., 13,750), the gross settlement will be increased pro-rata for Pay Periods in excess of 13,750.

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

9.1 **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, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for 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 Net Settlement Amount.

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 PCS that any of the allegations in the Operative Complaint have merit or that PCS has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that PCS's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, PCS reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest PCS's defenses. The Settlement, this Agreement and Parties' willingness to settle the 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 counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all 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 Plaintiffs and PCS, 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 other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.4 **Cooperation.** The Parties and their 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, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event 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 and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiffs, PAGA Counsel, PCS nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement 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 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 Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by PCS in connection with the mediation, other settlement negotiations, or in connection with 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. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Aggrieved Employee Data received from PCS unless, prior to the Administrator's payment of all Settlement Funds, PCS makes a written request to PAGA Counsel for

the return, rather than the destructions, of Aggrieved Employee Data.

10.13 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.

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

10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing via email and deemed to have been duly given the day of confirmed delivery, addressed as follows:

To Riley: Kane Moon at kmoon@moonlawgroup.com
Lilit Ter-Astvatsatryan at lilit@moonlawgroup.com

To Mitchell: Mehrdad Bokhour at mehrdad@bokhourlaw.com
Joshua Falakassa at josh@falakassalaw.com

To PCS: Andrew Day at andrew@pcs-services.org
With a copy to: Blake Wells at BWells@SmallBusinessLaw.Org

10.16 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 and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed and the Parties shall take no further action in the Riley or Mitchell Actions, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Plaintiffs

Defendant

Christina Mitchell

People Creating Success, Inc.

Jason Romero
Its President

Counsel for Christina Mitchell

People Creating Success – Antelope Valley,
LLC

Mehrdad Bokhour

Jason Romero
Its President

Alexandria Riley

Counsel for People Creating Success, Inc.
and People Creating Success – Antelope
Valley, LLC

Blake Wells

Counsel for Alexandria Riley

Kane Moon
Lilit Ter-Astvatsatryan

Christina Mitchell

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Christina Mitchell
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People Creating Success, Inc.

Jason Romero
Its President

Counsel for Christina Mitchell

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Mehrdad Bokhour
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Mehrdad Bokhour

People Creating Success – Antelope Valley,
LLC

Jason Romero
Its President

Alexandria Riley

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Counsel for People Creating Success, Inc.
and People Creating Success – Antelope
Valley, LLC

Blake Wells

Counsel for Alexandria Riley

Signed by:
Kane Moon
430309C4901C495...

Kane Moon
Lilit Ter-Astvatsatryan

