

MEMORANDUM OF UNDERSTANDING RE PAGA SETTLEMENT

Jeffrey Porter v. Sonsray Machinery, LLC

Sacramento County Superior Court, Case No. 34-2023-00333822

This Memorandum of Understanding (“MOU”) is entered into by and between named Plaintiff, Jeffrey Porter (“Plaintiff”) on behalf of himself and all others aggrieved employees (“PAGA Members”), and Defendant Sonsray Machinery, LLC (“Defendant”). (Plaintiff and Defendant shall be identified singularly as “Party” and collectively as “Parties.”) The settlement described in this MOU (“Settlement”) is subject to court approval and shall be based on the following terms and conditions.

1. **PAGA Group**: The settlement group will consist of all account managers employed by Defendant in California who worked at any time between November 18, 2021 through December 31, 2024 (“PAGA Period”). This group is comprised of 36 employees, who worked for a total of 946 pay periods during the PAGA period.
2. **Final Effective Date**: The later in time of (a) thirty (30) calendar days after entry of the order of final approval and judgment, if no objections to final approval were made and there is no filing of a motion to intervene or a motion to set aside and vacate the judgment or notice of appeal; (b) if objections to final approval were made, or a motion to intervene or motion to set aside and vacate the PAGA judgment is filed, ten (10) calendar days after the expiration of time to appeal the judgment and rulings on the foregoing motions, with no timely appeal filed; (c) if an appeal or other effort to obtain review has been initiated, ten (10) calendar days after the date after such appeal or other review has been finally concluded, affirming final approval, and is no longer subject to review.
3. **Gross Settlement Amount (GSA)**: The total value of the Settlement is **One Hundred and Fifty Thousand Dollars (\$150,000.00)**, this is the maximum amount Defendant can be required to pay under this Settlement Agreement, which includes: (1) the Net Settlement Amount to be paid to Participating PAGA Members; (2) the Attorney Fee Award and Cost Award to PAGA Counsel for attorneys’ fees and costs, as approved by the Court; (3) any PAGA Representative Enhancement Award to Plaintiff, as approved by the Court, and (4) Administration Costs paid to the Settlement Administrator, as approved by the Court. No portion of the GSA will revert to Defendant for any reason.
4. **Net Settlement Amount (NSA)**: Court-approved attorneys’ fees, costs, PAGA representative enhancement awards, and settlement administration costs will be deducted from the GSA to calculate the Net Settlement Amount (NSA) to be distributed to Settlement PAGA members.
5. **Escalator Provision**: If the number of total PAGA Members during the PAGA Period exceeds 36 by more than 20%, the GSA will increase in the exact proportionate amount as any additional PAGA Members employees beyond the 20% (i.e., 22% increase in employees = 2% proportionate increase in GSA).

6. **No Reversion, No Claims Made:** There will be no reversion to Defendant and no claims process for PAGA members to receive payment.
7. **Release:** All PAGA Members of the Settlement will be bound by a release of all claims that have been alleged or could have been alleged based on the facts alleged in the operative complaint, which arose during the PAGA Period, including but not limited to, failure to pay all wages due in violation of California Labor Code sections 201-203, and 1194; failure to provide accurate wage statements in violation of California Labor Code section 226; failure to receive sick leave or written notice of available sick leave in violation of California Labor Code section 246 and 248.5; failure to reimburse for all expenses incurred in violation of California Labor Code section 2802; unlawful deductions from earned wages in violation of California Labor Code sections 221-224; and failure to provide compliant and signed commission plans pursuant to California Labor Code section 2751, and applicable IWC Wage Orders. The release will be as to the released parties, which shall include all of Defendant's affiliated companies, customers, and clients, and their respective parent companies, subsidiaries, affiliates, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns.
8. **Settlement Administration Costs:** Non-opposition to request for reimbursement for the claims administrator's costs, which will be paid from the GSA.
9. **Attorney's Fees:** Non-opposition to request for attorney's fees of up to one-third of the GSA, which will be paid from the GSA.
10. **Costs:** Non-opposition to request for reimbursement for Plaintiff's litigation costs, which will be paid from the GSA.
11. PAGA Representative Enhancement Award: Non-opposition to request for PAGA Representative Enhancement Award to Plaintiff, not to exceed \$10,000, which will be paid from the GSA.
12. **Enforceability:** The parties intend to enter a more formal "long-form" agreement not inconsistent with the terms of this MOU within 30 days of the complete execution of this MOU. If they fail to execute a more formal agreement, this MOU will be final, binding, and enforceable pursuant to California Code of Civil Procedure section 664.6.
13. **Drafting of Long-Form Settlement Agreement and Approval Papers:** Plaintiff's counsel will draft the first draft of the long-form settlement agreement and circulate within 14 days. Plaintiff's counsel will draft the motion for preliminary approval and motion for final approval and allow defense counsel an opportunity to comment and have input particularly as to information that Defendant considers confidential, proprietary, or trade secret.

14. **Claims Administrator:** The claims administrator will be determined by the parties. If the parties cannot agree on an administrator, the parties shall seek the Court's guidance.
15. **Media:** The parties agree that no party shall issue any press release to the news media, or communicate in any way with any news media, concerning the settlement or the litigation.

Dated: 10 / 02 / 2024

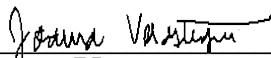
PLAINTIFF JEFFREY PORTER



JEFFREY PORTER

Dated: 10/07/2024

DEFENDANT SONSRAY MACHINERY,
LLC



By: Joanna Verastegui

Dated: October 2, 2024

WORKMAN LAW FIRM, PC



ROBIN G. WORKMAN
Attorneys for Plaintiff

Dated: October 7, 2024

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