

1 **PAGA REPRESENTATIVE ACTION SETTLEMENT AGREEMENT**

2 This PAGA Representative Action Settlement Agreement (“Settlement” or “Agreement”)
3 is made by and between (i) Plaintiff Jeff Porter (“Plaintiff”), in his capacity as private attorney
4 general pursuant to the California Labor Code Private Attorneys General Act, and on behalf of
5 himself, other Aggrieved Employees, and the California Labor and Workforce Development
6 Agency (“LWDA”), and (ii) Defendant Sonsray Machinery, LLC (“Defendant”), with regard to
7 the lawsuit filed by Plaintiff against Defendant which is now pending in the Sacramento Superior
8 Court (the “Court”) and styled *Jeff Porter, et al. v. Sonsray Machinery, LLC, et al.*, Case No. 34-
9 2023-00333822 (the “Civil Action”).

10 **THE SETTLEMENT**

11 1. Subject to the Court’s approval pursuant to California Labor Code section 2699
12 (1)(2), Plaintiff and Defendant (the “Parties”) agree to settle the Civil Action upon the terms
13 and conditions and for the consideration set forth in this Agreement. This Agreement and the
14 promises and obligations set forth herein are intended to effectuate a final resolution and
15 dismissal of the Civil Action in its entirety and without limitation. Upon approval by the
16 Court of this Settlement, Plaintiff shall dismiss the Civil Action, with prejudice, subject to the
17 Court’s ongoing jurisdiction to ensure the Parties’ compliance with the Agreement and the
18 Court’s orders with respect to the Agreement.

19 2. A summary of the terms of the Agreement is as follows:

- 20 • Defendant shall pay the gross settlement amount of One Hundred
21 and Fifty Thousand Dollars (\$150,000.00), referred to herein as the
22 “Gross Settlement Amount,” which shall be inclusive of all
23 Aggrieved Employees Payment Amounts, all attorneys’ fees and
24 litigation expenses (including court costs) paid to PAGA/Plaintiff’s
25 Counsel, any PAGA Representative Enhancement Award, any
26 settlement administration costs and expenses, and the LWDA
27 Payment Amount. In no event shall Defendant be required to pay
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1 more than the Gross Settlement Amount.

- 2 • The Agreement shall apply to all account managers employed by
3 Defendant in California who worked any time between November
4 18, 2021 through December 31, 2024 (“PAGA Period”). This group
5 is comprised of 36 employees (“Aggrieved Employees”), who
6 worked for a total of 946 pay periods during the PAGA Period. All
7 Aggrieved Employees shall receive payment in accordance with the
8 terms of this Agreement.
- 9 • The Settlement Administrator shall be ILYM Group, Inc. From the
10 Gross Settlement Amount, settlement administration fees and costs
11 in a reasonable amount not to exceed two thousand five hundred
12 dollars (\$2,550) shall be paid to the Settlement Administrator. If the
13 actual cost of settlement administration is less than this amount, the
14 excess funds shall be added to the Settlement Amount for
15 distribution to Aggrieved Employees.
- 16 • From the Gross Settlement Amount, the Plaintiff may seek from the
17 Court an Enhancement Award not to exceed Ten Thousand Dollars
18 and No Cents (\$10,000.00), which Defendant shall not oppose.
- 19 • PAGA/Plaintiff’s Counsel may seek attorneys’ fees up to Forty Nine
20 Thousand Five Hundred Dollars and No Cents (\$49,500.00), which
21 is Thirty-Three Percent (33%) of the Gross Settlement Amount, as
22 well as litigation costs not to exceed Eight Thousand Dollars and No
23 Cents (\$8,000.00), both of which shall be deducted from the Gross
24 Settlement Amount, and neither of which shall be opposed by
25 Defendant.
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27 DEFINITIONS

- 28 3. Unless otherwise defined herein, the terms within quotation marks below shall

1 have the following meanings when used in this Agreement:

2 4. "Aggrieved Employees" means the 36 account managers employed by
3 Defendant in California who worked any time during the PAGA Period.

4 5. "Aggrieved Employees Payment Amount" means Twenty-Five percent (25%)
5 of the Gross Settlement Amount. There will be no claims process required for Aggrieved
6 Employees to receive payment.

7 6. "Complaint" means the Complaint filed in the Civil Action on January 30,
8 2023.

9 7. "Court" means the Sacramento County Superior Court.

10 8. "Defendant" means Sonsray Machinery, LLC.

11 9. "Defense Counsel" means:

12
13 O'HAGAN MEYER
14 Daniel Spencer
15 Eric Zeiger
16 550 S. Hope Street, Suite 2400
17 Los Angeles, CA 90071
18 Tel: 213-647-0005
19 Fax: 213-647-1799

20 10. "Effective Date" means the first date upon which all of the following events
21 occur:

22 (i) all Parties, and PAGA/Plaintiff's Counsel and Defense Counsel, execute
23 this Agreement;

24 (ii) the Court approves the Settlement; and, either: (a) the date thirty (30)
25 days after the entry of the Final Order and Judgment if no objections to final
26 approval were made and there is no filing of a motion to intervene, a motion to
27 set aside and vacate the judgment, or notice of appeal; or, (b) in the event that a
28 motion for reconsideration, an appeal or other effort to obtain review of the
Final Order and Judgment has been filed or made, the date ten (10) days after
such reconsideration, appeal, or review is finally concluded. In this regard, it is

1 the intention of the Parties that the Settlement shall not become effective until
2 the Court's order approving the Settlement becomes completely final, and there
3 is no timely recourse by an appellant who seeks to contest the Settlement.

4 11. "Enhancement Award" means any payment to the Plaintiff for his service to the
5 LWDA and the Aggrieved Employees, which is in addition to whatever payment he may
6 otherwise be entitled to as an Aggrieved Employee.

7 12. "Approval Hearing" means the hearing to be requested by Plaintiff and
8 conducted by the Court after the filing by Plaintiff of an appropriate motion, at which time
9 Plaintiff shall request that the Court approve the fairness, reasonableness and adequacy of the
10 terms and conditions of the Settlement, enter the Final Order and Judgment, and take other
11 appropriate action.

12 13. "Final Order and Judgment" means the order and judgment that the Court
13 enters upon granting approval of the Settlement and this Agreement as binding on the Parties
14 and the LWDA.

15 14. "Gross Settlement Amount" means the maximum amount of One Hundred and
16 Fifty Thousand Dollars (\$150,000.00) that Defendant shall be required to pay under this
17 Agreement. There will be no reversion to Defendant.

18 15. "LWDA Letter" means the letter providing Notice of Violations of California
19 Labor Code §§ 201-203, 221-224, 226, 246, 2751, 2698, et seq., 2699, 2699(a), 2699.5 and
20 2802; California Business and Professions Code § 17200, et seq.; and Applicable Industrial
21 Welfare Commission Wage Orders that Plaintiff submitted to the LWDA through
22 PAGA/Plaintiff's Counsel, dated November 18, 2022.

23 16. "LWDA Payment Amount" means seventy-five percent (75%) of the Gross
24 Settlement Amount, less attorneys' fees and litigation costs, any Enhancement Award, and
25 settlement administration fees and costs approved by the Court.

26 17. "Notice of PAGA Settlement" means the form attached to this Agreement as
27 Exhibit A that the Settlement Administrator shall mail to Aggrieved Employees with their
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Individual Aggrieved Employees Payment Amounts, to inform them of the material terms of this Agreement.

18. "PAGA/Plaintiff's Counsel" means:

Robin G. Workman
WORKMAN LAW FIRM, PC
2325 3rd Street, Suite 329
San Francisco, CA 94107
Telephone: (415) 782-3660
Facsimile: (415) 788-1028

19. "PAGA Period" means November 18 2021, through December 31, 2024.

20. "PAGA Representative" or "Plaintiff" means Jeffrey Porter.

21. "Qualifying Pay Periods" means the total number of pay periods in which Defendant employed each Aggrieved Employee during the PAGA Period. This is estimated to be 946 pay periods.

22. "Released Claims" are defined in paragraph 54 of this Agreement.

23. "Released Parties" means Defendant and Defendant's present and former parents, affiliates, divisions and subsidiaries, acquired companies, predecessors, successors, assigns, related entities, divested businesses and business units, and each of their respective present and former board members, directors, officers, owners, shareholders, agents, representatives, employees, partners, attorneys, insurers, predecessors, successors, assigns, affiliated companies and entities, and any individual entity that could be jointly liable with any of the foregoing.

24. "Settlement Administrator" means ILYM Group, Inc.

25. "Settlement" means the settlement as provided for in this Agreement.

BACKGROUND

26. Through the LWDA Letter and Complaint filed in the Civil Action, Plaintiff sought damages, restitution, penalties, pre- and post-judgment interest, costs, attorneys' fees and other relief on behalf of himself and all others similarly situated and/or aggrieved, and did so on the basis of allegations, *inter alia*, that Defendant: (1) failed to pay employees all

1 compensation owed; (2) failed to timely pay all wages after employees voluntarily or
2 involuntarily terminated their employment with Defendant; (3) failed to provide employees
3 with accurate, itemized, wage statements; (4) failed to provide signed commission plans; (5)
4 taking unlawful deductions from wages; (6) failed to reimburse for work-related expenses;
5 and, (7) failed to provide paid sick leave and written notice of available sick leave. Plaintiff
6 brought these claims under the California Labor Code, and The Labor Code Private Attorneys
7 General Act (“PAGA”). Defendant denies each of the allegations made in the LWDA Letter
8 and the Complaint, and denies that it has any liability to Plaintiff or Aggrieved Employees,
9 and denies that Plaintiff, the LWDA, or any other allegedly Aggrieved Employee, current or
10 former, is entitled to any relief.

11 27. PAGA/Plaintiff’s Counsel and Defense Counsel have extensive experience in
12 litigating wage and hour class actions in California, and they have vigorously litigated the
13 Civil Action since its inception in January of 2023. After Plaintiff filed the action, Defendant
14 filed a motion to compel arbitration, which the Court granted, dismissing class claims, staying
15 representative claims under PAGA, and ordering Plaintiff to arbitrate his individual claims,
16 including his individual PAGA claims. Plaintiff propounded discovery and received
17 information and data from Defendant. Based on the information and data provided, the
18 parties engaged in settlement negotiations and agreed to participate in a mediation.
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20 28. On October 2, 2024, the Parties participated in a mediation before Jeff
21 Owensby, a highly-experienced wage and hour class action mediator with Judicate West.
22 Through the assistance of Mr. Owensby, the Parties reached an agreement on the key terms of
23 a settlement that addressed the PAGA claims brought under by Plaintiff on behalf of himself,
24 aggrieved employees, and the LWDA.

25 29. Because the Court must approve the Settlement, the parties enter into this
26 Agreement on a conditional basis. Should the Court, or any other court taking jurisdiction of
27 this matter, decline to approve all material aspects of the Settlement or make any ruling
28 substantially altering the material terms of the Settlement, the Settlement shall be voidable

1 and unenforceable as to Plaintiff and Defendant, at the option of any party. In the event that
2 the Effective Date does not occur, this Agreement shall be deemed null and void *ab initio* and
3 shall be of no force or effect whatsoever, and shall not be referred to or utilized for any
4 purpose. Defendant denies all of Plaintiff's representative claims as to liability and damages.
5 Defendant expressly reserves all rights to challenge any and all such claims and allegations
6 upon all procedural and factual grounds, including the assertion of all defenses, if the
7 Effective Date of the Settlement does not occur. Likewise, Plaintiff expressly reserves all
8 rights to pursue, amend, dismiss or otherwise dispose of the claims covered under this
9 Settlement in the event the Effective Date of the Settlement does not occur.

10 30. Plaintiff and PAGA/Plaintiff's Counsel concluded, after taking into account the
11 sharply disputed factual and legal issues involved in the Civil Action, the risks and delay
12 attending further prosecution, and the substantial benefits to be received pursuant to
13 settlement as set forth in this Agreement, that settlement on the terms set forth herein is in the
14 best interest of Plaintiff, the LWDA, and Aggrieved Employees, and is fair and reasonable.

15 31. Similarly, Defendant concluded, after taking into account the sharply disputed
16 factual and legal issues involved in the Civil Action, the risks and expense attending further
17 litigation, and its desire to put the controversy to rest, that settlement on the terms set forth
18 herein is in its best interests and is fair and reasonable.

19 32. This Settlement contemplates entry of a Final Order and Judgment. The Court
20 shall retain jurisdiction over the Civil Action and Parties for purposes of enforcing the
21 Settlement and resolving any disputes relating to the Settlement.

22 **SETTLEMENT APPROVAL AND IMPLEMENTATION PROCEDURE**

23 **Approval of Settlement**

24 33. The parties have agreed to January 24, 2025, as the hearing date for the
25 settlement approval hearing. Prior to the hearing date, and in accordance with statutory filing
26 requirements, PAGA/Plaintiff's Counsel shall submit this Agreement to the Court for its
27 approval, and move the Court to enter a Final Order and Judgment. The submission shall also
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1 include such admissible evidence as may be required for the Court to approve the Settlement,
2 as required by California Labor Code section 2699 (1)(2). The submission shall also include a
3 proposed Notice apprising the Aggrieved Employees of the Settlement, in the form attached
4 hereto as Exhibit A, and a proposed order granting approval of the Settlement, and Judgment
5 of Settlement.

6 **Cooperation**

7 34. The Parties agree to cooperate with each other to accomplish the terms of this
8 Settlement, including, but not limited to, the timely execution of such documents and such
9 other acts as may be reasonably necessary to implement the terms of this Settlement. Neither
10 the Parties nor any of their attorneys or agents shall solicit or encourage any Aggrieved
11 Employees to object to the Settlement. The Parties to the Settlement shall use their best
12 efforts, including all efforts contemplated by this Agreement and any other efforts that may
13 become necessary by Court order, or otherwise, to effectuate this Settlement and the terms set
14 forth herein.

15 **Approval Hearing**

16 35. The Court shall hold an Approval Hearing in order for the Court to consider
17 and determine: (i) whether the Court should approve the Settlement; (ii) whether the Court
18 should approve PAGA/Plaintiff's Counsel's application for attorneys' fees, costs, and
19 expenses; (iii) allocation of an Enhancement Award to Plaintiff; (iv) appointment of a
20 Settlement Administrator; and, (v) to address any concerns of the Court. At the Approval
21 Hearing, Plaintiff, PAGA/Plaintiff's Counsel, Defendant, and Defense Counsel shall ask the
22 Court to approve this Settlement.

23 **Settlement Payment Procedures**

24 36. Aggrieved Employees shall be paid exclusively from the Aggrieved Employees
25 Payment Amount.

26 37. Plaintiff and Defendant agree that the formula for calculating Settlement
27 Payments to Aggrieved Employees provided herein is reasonable, and that the Settlement
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1 Payments as so calculated will provide for a fair settlement despite the uncertainties as to the
2 amounts alleged to be owed to the LWDA and Aggrieved Employees and the calculation of
3 those amounts.

4 38. The Gross Settlement Amount of \$150,000 (One Hundred and Fifty Thousand
5 Dollars), shall be allocated as follows: \$112,500 shall be allocated to the LWDA Payment
6 Amount, and \$37,500 shall be allocated to the Aggrieved Employees Payment Amount. The
7 foregoing allocation does not account for any deduction that may be taken from the Gross
8 Settlement Amount, including Plaintiff's attorneys' fees award, Settlement Administrator
9 fees, or Plaintiff's Enhancement Award. A revised allocation will be prepared by the
10 Settlement Administrator once the Court has approved a specified and reasonable Plaintiff's
11 attorney fees award, Settlement Administrator fees, and Plaintiff's Enhancement Award. The
12 LWDA Payment Amount shall be payable to the California Labor and Workforce
13 Development Agency pursuant to Section 2699(i) of PAGA and as set forth in paragraph #17
14 above.

15 39. The amount that an Aggrieved Employee may receive from the Settlement shall
16 be calculated on a pro rata basis based on the number of Pay Periods that Defendant
17 employed Aggrieved Employees from November 18, 2021 through December 31, 2024.

18 40. Within twenty (20) days after the Effective Date, Defendant shall transmit the
19 Gross Settlement Amount to the Settlement Administrator. Within fifteen (15) days after its
20 receipt of the payment, the Settlement Administrator shall mail settlement payments to each
21 Aggrieved Employee, to the LWDA, transmit PAGA/Plaintiff's Counsel the attorneys' fees
22 and costs approved by the Court, shall transmit to the Plaintiff his Enhancement Award
23 approved by the Court.

24 41. The Settlement Administrator shall be authorized to establish a Qualified
25 Settlement Fund ("QSF") pursuant to Internal Revenue Service ("IRS") rules and regulations
26 in which the Gross Settlement Amount shall be placed and from which payments required by
27 the Settlement shall be made. The amount of each settlement payment to each Aggrieved
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1 Employee shall be recognized as penalties and shall not be subject to those withholdings.

2 42. The Released Parties shall not be required to provide any additional form of
3 compensation to any Aggrieved Employee as a result of his or her receipt of a settlement
4 payment. Each Aggrieved Employee and the Plaintiff shall be responsible for remitting to
5 state and/or federal taxing authorities any applicable taxes which may be owed on any portion
6 of any payment received pursuant to this Agreement.

7 43. It is expressly understood and agreed that the receipt of a settlement payment
8 shall not entitle any Aggrieved Employee to additional compensation or benefits under any
9 company bonus, contest or other compensation or benefit plan or agreement, nor shall it
10 entitle any Aggrieved Employee to any increased retirement, 401(k) or matching benefits, or
11 deferred compensation benefits. The Parties agree that any settlement payments made to
12 Aggrieved Employees under the terms of this Agreement shall not represent any modification
13 of previously credited length of service or other eligibility criteria under any bonus plan,
14 employee pension benefit plan or employee welfare plan sponsored by any of the Released
15 Parties, or to which any of the Released Parties are required to make contributions. Further,
16 any settlement payments made under this Agreement shall not be considered compensation in
17 any year for purposes of determining eligibility for, or benefit accrual within, any employee
18 pension benefit plan or employee welfare benefit plan sponsored by any of the Released
19 Parties or to which any of the Released Parties are required to make contributions. It is the
20 Parties' intent that the settlement payments provided for by this Agreement are the sole
21 payments to be made by Defendant to Aggrieved Employees, and that the Aggrieved
22 Employees are not entitled to any new or additional compensation or benefits as a result of
23 having received the settlement payments, notwithstanding any contrary terms in any
24 agreement, contract, benefit or compensation plan document that might have been in effect
25 during the PAGA Period.
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27 44. Any settlement payment that remains uncashed after one hundred twenty (120)
28 days of disbursement shall be void, and the Settlement Administrator shall pay the funds

1 represented by such un-redeemed checks to the Legal Aid Society of San Francisco –
2 Employment Law Center, a qualified *cy prey* beneficiary under California Code of Civil
3 Procedure section 384.

4 45. The Settlement Administrator shall administer the Settlement, including, but
5 not limited to: (i) printing and mailing the Notice of PAGA Settlement; (ii) preparing and
6 submitting to Aggrieved Employees and government entities all appropriate tax filings and
7 forms; (iii) computing the amount of and distributing the LWDA Payment Amount,
8 Aggrieved Employee Payments, the Enhancement Award, and PAGA/Plaintiff's Counsel's
9 attorneys' fees and costs; (iv) and, establishing a QSF, as defined by the Internal Revenue
10 Code.

11 46. Settlement administration fees in a reasonable amount shall be paid to the
12 Settlement Administrator from the Gross Settlement Amount. Settlement administration fees
13 are not to exceed \$2,550. If the actual cost of settlement administration is less than the not to
14 exceed amount as approved by the Court, those funds shall be added to the Aggrieved
15 Employees Payment Amount for allocation to Aggrieved Employees. All costs associated
16 with settlement administration shall come out of the Gross Settlement Amount.

17 47. Defendant shall provide the names, last known addresses, social security
18 numbers, and periods of employment of the Aggrieved Employees during the PAGA Period
19 for the Aggrieved Employees to the Settlement Administrator no later than twenty (20)
20 business days after the Court grants approval of the Settlement. The Settlement
21 Administrator shall only use this data for the purpose of calculating Settlement Payments and
22 notifying Aggrieved Employees of the Settlement. This data shall not be disclosed to the
23 Plaintiff or any other Aggrieved Employee without the written consent of Defendant or by
24 order of the Court. The Settlement Administrator shall not disclose the data to third parties,
25 shall keep the data confidential to the fullest extent possible, and shall be responsible for
26 following all privacy laws and taking appropriate steps to ensure that Aggrieved Employees'
27 personal information is safeguarded and protected from improper disclosure or use. The
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1 Settlement Administrator shall run the data list through the National Change of Address
2 database, and shall use the most recent address for each Aggrieved Employee – either from
3 Defendant’s records or the National Change of Address database – before mailing the Notice
4 of Settlement and settlement payments. The Settlement Administrator shall also take
5 reasonable steps to locate any Aggrieved Employee whose Notice of Settlement is thereafter
6 returned as undeliverable. Defendant shall provide the data in a secure format to be
7 determined by the Settlement Administrator and Defendant. The Settlement Administrator
8 shall establish a toll-free telephone number to receive calls from Aggrieved Employees.

9 **Enhancement Award**

10 48. From the Gross Settlement Amount, the Plaintiff may seek approval from the
11 Court of an Enhancement Award not to exceed Ten Thousand Dollars and No Cents
12 (\$10,000.00), which Defendant shall not oppose.

13 **Payment of PAGA/Plaintiff Counsel’s Attorneys’ Fees, Costs and Expenses**

14 49. PAGA/Plaintiff’s Counsel shall apply to the Court at the Approval Hearing for
15 an award of attorneys’ fees not to exceed Forty Nine Thousand Five Hundred Dollars and No
16 Cents (\$49,500.00), which is Thirty-Three Percent (33%) of the Gross Settlement Amount, as
17 well as litigation costs not to exceed Eight Thousand Dollars and No Cents (\$8,000.00), both
18 of which shall be paid out of the Gross Settlement Amount and neither of which Defendant
19 will oppose. Any order relating to the award of attorneys’ fees, costs or an Enhancement
20 Award will not operate to terminate or cancel this Agreement. If the amount of any
21 Enhancement Award, attorneys’ fees and/or costs awarded by the Court is less than the
22 requested amounts, the difference shall serve to increase the Aggrieved Employees’ Payment
23 Amount to be distributed to Aggrieved Employees as part of their Settlement Payments.
24 Nothing in this Agreement will require Defendant to pay more than the Gross Settlement
25 Amount under any circumstances. There will be no reversion to Defendant and no claims
26 process for PAGA members to receive payment.
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Taxes and Withholding and Indemnification

50. The Settlement Administrator shall be responsible for ensuring that all tax obligations associated with the Settlement are timely paid to the appropriate governmental taxing authorities. The Settlement Administrator's responsibilities include the following:

- (i) filing all federal, state and local employment tax returns, income tax returns, and any other tax returns associated with the taxes;
- (ii) timely and proper filing of all required federal, state and local information returns (*e.g.*, 1099s, W-2s, etc.); and
- (iii) completion of any other steps necessary for compliance with any tax obligations applicable to Settlement Payments under federal, state and/or local law.

51. The Parties and Aggrieved Employees acknowledge and agree that:

- (i) No provision of this Agreement and no written communication or disclosure between or among the Parties or their attorneys and other advisers is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United State Treasury Department Circular 230 (31 CFR Part 10, as amended);
- (ii) Each Party and Aggrieved Employee (a) has relied exclusively upon their own, independent legal and tax advisers for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on him or her; and
- (iii) No attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies

(regardless of whether such limitation is legally binding) upon disclosure by him or her of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

52. The Aggrieved Employees Payment Amounts shall be reported by the Settlement Administrator, as required, to the state and federal taxing authorities on IRS forms 1099 or similar forms. Each Aggrieved Employee shall be responsible for paying all applicable state, local, and federal income taxes on all amounts the Aggrieved Employee receives pursuant to this Agreement. Each Aggrieved Employee is advised to obtain independent tax advice in connection with this Agreement.

RELEASED CLAIMS

53. Upon approval by the Court of the Settlement and as of the Effective Date, the State of California and 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, Defendant and the other Released Parties from all claims, rights, demands, liabilities, causes of action, and theories of liability for PAGA penalties or other PAGA relief that were pled or could have been pled based on the factual allegations contained in the LWDA Letter or Complaint, and relating to the PAGA Period, including without limitation any alleged Violations of California Labor Code §§ 201-203, 221-224, 226, 226(a), 246, 248.5, 1194, 2751, 2698, et seq., 2699, 2699(a), 2699.5 and 2802; California Business and Professions Code § 17200, et seq.; and Applicable Industrial Welfare Commission Wage Orders.

LIMITATIONS ON USE OF THIS SETTLEMENT

No Admission

54. Neither the acceptance nor the performance by Defendant of the terms of this Agreement nor any of the related negotiations or proceedings are or shall be claimed to be, construed as, or deemed a precedent or an admission by Defendant of the truth of any allegations in the Complaint. Defendant expressly denies any wrongdoing or liability to

1 Plaintiff, the LWDA, and any Aggrieved Employees, or any of its other current and former
2 employees.

3 **Non-Evidentiary Use**

4 55. Defendant denies that it has failed to comply with the law in any respect, or has
5 any liability to anyone based on the claims asserted in the Civil Action. Plaintiff expressly
6 acknowledges that this Agreement is entered into for the purpose of compromising highly
7 disputed claims, and that nothing herein is an admission of liability or wrongdoing. Neither
8 the Agreement nor any document prepared in connection with the Settlement may be
9 admitted in any proceeding as an admission by Defendant. Notwithstanding this paragraph,
10 any and all provisions of this Agreement may be admitted in evidence and used in any
11 proceeding to enforce the terms of this Agreement, or in defense of any claims released or
12 barred by this Agreement.

13 **Nullification**

14 56. If the Court for any reason does not approve this Settlement, this Agreement
15 shall be considered null and void and the Parties to this Agreement shall stand in the same
16 position, without prejudice, as if the Agreement had been neither entered into nor filed with
17 the Court.

18 57. Invalidation of any material portion of this Agreement shall invalidate this
19 Agreement in its entirety unless the Parties agree in writing that the remaining provisions
20 shall remain in full force and effect.

21 **MISCELLANEOUS PROVISIONS**

22 **No Inducements**

23 58. Plaintiff and Defendant acknowledge that they are entering into this Settlement
24 as a free and voluntary act without duress or undue pressure or influence of any kind or nature
25 whatsoever, and that neither Plaintiff nor Defendant have relied on any promises,
26 representations or warranties regarding the subject matter hereof other than as set forth in this
27 Agreement.
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1 **No Prior Assignment**

2 59. The Parties represent, covenant, and warrant that they have not directly or
3 indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
4 any person or entity any portion of any liability, claim, demand, action, cause of action or
5 rights herein released and discharged except as set forth herein.

6 **Construction**

7 60. The Parties agree that the terms and conditions of this Agreement are the result
8 of lengthy, intensive arm's-length negotiations between the Parties and their counsel, and this
9 Agreement shall not be construed in favor of or against any Party by reason of the extent to
10 which any Party or his or its counsel participated in the drafting of this Agreement.

11 **California Law**

12 61. All terms of this Agreement and its exhibits shall be governed and interpreted
13 by and according to the laws of the State of California, without giving effect to any conflict of
14 law principles or choice of law principles.

15 **Captions and Interpretations**

16 62. Paragraph titles or captions contained herein are inserted as a matter of
17 convenience and for reference, and in no way define, limit, extend, or describe the scope of
18 this Agreement or any provision hereof.

19 **Incorporation of Exhibits**

20 63. All exhibits to this Agreement are incorporated by reference and are a material
21 part of this Agreement. Any notice, order, judgment, or other exhibit that requires approval
22 of the Court must be approved without material alteration from its current form in order for
23 this Agreement to be enforceable.

24 **Modification**

25 64. This Agreement may not be changed, altered, or modified, except in a writing
26 signed by the Parties and approved by the Court. This Agreement may not be discharged
27 except by performance in accordance with its terms or by a writing signed by the Parties.
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1 **Reasonableness of Settlement**

2 65. Plaintiff has represented that this is a fair, reasonable, and adequate settlement
3 and has arrived at this settlement through arm's-length negotiations, taking into account all
4 relevant factors, present and potential.

5 **Integration Clause**

6 66. This Agreement contains the entire agreement between the Parties relating to
7 the Settlement and transaction contemplated hereby, and all prior or contemporaneous
8 agreements, understandings, representations, and statements, whether oral or written and
9 whether by a party or such party's legal counsel, are merged herein. No rights hereunder may
10 be waived except in writing.

11 **Binding On Assigns**

12 67. This Agreement shall be binding upon and inure to the benefit of the Parties
13 and their respective heirs, trustees, executors, administrators, successors and assigns.

14 **No Prevailing Party**

15 68. No Party shall be considered a prevailing party for any purpose. Except as
16 otherwise provided for in this Agreement, each Party shall bear its or his own attorneys' fees
17 and costs.

18 **Counterparts**

19 69. This Agreement, and any amendments hereto, may be executed in any number
20 of counterparts, each of which when executed and delivered shall be deemed to be an
21 original, and all of which taken together shall constitute but one and the same instrument.
22 Fax, electronic, and PDF signatures shall be as valid as original signatures.

23 **Plaintiff To Be Bound and Attorney Authorization**

24 70. By signing this Agreement, Plaintiff agrees to be bound by its terms. The
25 Parties and their counsel agree to cooperate fully with each other and to use their best efforts
26 to effectuate the implementation of the Settlement.
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1 this Settlement, except in relevant submissions to a court or other judicial panel, but under no
2 circumstances shall any such posting reference any terms of the Settlement. Nothing in this
3 Agreement is intended to prohibit Defendant or their related entities from reporting the terms
4 of this Agreement to their shareholders, disclosing the terms of this Agreement in any SEC or
5 other public filing, or otherwise prohibiting them in any way from disclosing the fact of
6 settlement or the terms of this Agreement as they might deem proper as part of the operation
7 of their businesses.

8 75. This Agreement, the Settlement, and any proceedings or actions or negotiations
9 in connection therewith shall be deemed settlement communications covered by California
10 Evidence Code Sections 1152 and 1154, Federal Rule of Evidence 408, and any other similar
11 provisions of law, and shall not be construed as an admission of truth of any allegation or the
12 validity of any cause of action or claim asserted therein.

13
14 IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly
15 authorized attorneys, as of the day and year herein set forth.

16
17 Dated: 12 / 04 / 2024

PLAINTIFF JEFF PORTER

18
19 

20 Jeffrey Porter

21
22 Dated: _____

DEFENDANT SONSRAY MACHINERY, LLC

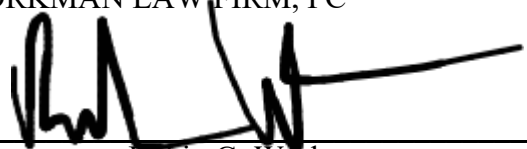
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24 By: _____
25 Name: _____
26 Its: _____

27
28 **[SIGNATURES CONTINUE ON NEXT PAGE]**

1 **APPROVED AS TO FORM AND CONTENT**

2
3 Dated: December 4, 2024

WORKMAN LAW FIRM, PC

4
5 By: 

Robin G. Workman

6 Attorneys for Plaintiff
7 JEFFREY PORTER and PAGA COUNSEL

8
9 Dated: _____

O'HAGAN MEYER

10
11 By: _____

Daniel Spencer
Eric Zeiger

12 Attorneys for Defendant
13 SONSRAY MACHINERY, LLC
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14 IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly
15 authorized attorneys, as of the day and year herein set forth.

16
17 Dated: _____

PLAINTIFF JEFF PORTER

18
19
20 _____
Jeffrey Porter

21 Dated: 12/17/2024
22 _____

DEFENDANT SONSRAY MACHINERY, LLC

23
24 By: Joanna Verastegui
Name: Joanna Verastegui
25 Its: Director of HR

26
27
28 **[SIGNATURES CONTINUE ON NEXT PAGE]**

1 **APPROVED AS TO FORM AND CONTENT**

2
3 Dated: _____

WORKMAN LAW FIRM, PC

4
5 By: _____
6 Robin G. Workman

7 Attorneys for Plaintiff
8 JEFFREY PORTER and PAGA COUNSEL

9 Dated: December 18, 2024

O'HAGAN MEYER

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11 By:  _____
12 Daniel Spencer
13 Eric Zeiger

14 Attorneys for Defendant
15 SONSRAY MACHINERY, LLC
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EXHIBIT A

NOTICE OF SETTLEMENT

<Date>

Re: The enclosed check re: Sacramento County Superior Court, entitled *Porter v. Sonsray Machinery, LLC*, Case No. 2023-00333822 (the “Civil Action”).

<Name>

<Address>

<City, State Zip>

Dear <Name>,

The enclosed payment is made to you because a Court approved a settlement of claims for civil penalties brought by Plaintiff Jeffrey Porter on behalf of himself and the people of the State of California against Defendant Sonsray Machinery, LLC (“Sonsray” or “Defendant”), pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698 *et seq.* (“PAGA”) (the “Lawsuit”). The Lawsuit was based on Plaintiff’s contention that Sonsray did not pay account managers all compensation owed, did not reimburse them for all work-related expenses incurred, and did not provide accurate wage statements to service technicians, among other claims.

You may not opt out of this PAGA settlement.

Sonsray denies any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit. The Court did not find that anyone did anything wrong and approved the settlement as a fair and reasonable resolution of disputed claims.

Based on the number of qualifying pay periods you worked as an account manager for Sonsray between November 18, 2021 and December 31, 2024, your individual payment amount is <\$Check Amount>.

The enclosed check represents your portion of the settlement recovery. You are responsible for paying any federal, state or local taxes owed as a result of this payment.

The enclosed check is valid for 180 days from the date of issuance. If you do not cash it within 180 days, the funds from uncashed checks will be remitted to the Legal Aid Society of San Francisco – Employment Law Center, a qualified *cy pres* beneficiary under California Code of Civil Procedure § 384.

If you have any questions concerning this Settlement, you can contact the Settlement Administrator, RG2 Claims Administrator at : **1 (800)** .

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE