

**PRIVATE ATTORNEYS GENERAL ACT
SETTLEMENT AGREEMENT AND RELEASE**

IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff Kim Marie Schlosser (“Plaintiff”), on behalf of herself and on behalf of the State of California and all allegedly-aggrieved employees (referred to herein as the “PAGA Employees” further defined below), and Defendant Retail Services WIS Corp. (“Defendant”) (collectively the “Parties”), subject to the approval of the Court, that the settlement of the Action (as defined below) shall be effectuated upon and subject to the following terms and conditions. Capitalized terms as used herein shall have the meanings set forth in Section II(A) or as defined elsewhere in this Settlement Agreement and Release.

I. RECITALS

WHEREAS, on November 8, 2022, Plaintiff notified the Labor Workforce Development Agency (“LWDA”) of her intent to file an action under California’s Private Attorneys General Act, California Labor Code § 2698 *et seq.* (“PAGA”) and WHEREAS on April 9, 2024 Plaintiff submitted a supplemental letter to the LWDA;

WHEREAS, Plaintiff allowed the LWDA an opportunity to investigate her claims as required by the Labor Code;

WHEREAS, the LWDA took no action in response to Plaintiff’s notice or supplemental notice;

WHEREAS, on June 5, 2023, Plaintiff commenced the Action by filing a PAGA Complaint against Defendant alleging PAGA claims on behalf of the State of California, herself, and other allegedly aggrieved employees, a First amended PAGA Complaint was filed on or about June 14, 2024;

WHEREAS the PAGA claims allege violations of California Labor Code sections 201, 202, 203, 204, 210, 211, 218.5, 218.6, 221, 222, 223, 224, 225.5, 226, 226.3, 226.7, 227.3, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 510, 512, 516, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, 2802, 2810.5, CCR Title 8 Section 11040 (5)(A) related to payment of regular and final wages, issuance of wage statements, paying minimum wage, paying overtime, authorizing and permitting rest periods, providing meal periods; deductions, recordkeeping, issuance of wage theft notices, sick pay and other related claims.

WHEREAS, during the course of the litigation, the Parties engaged in informal discovery, including the exchange of additional information informally to prepare for a mediation;

WHEREAS, on April 2, 2024, the Parties participated in a private mediation with mediator David Phillips, Esq., with respect to Plaintiff’s individual claims and the PAGA claims;

WHEREAS, the Parties desire to settle, compromise, and avoid litigation relating to the remaining PAGA Claims in the Action, and have agreed to settle the Action upon the terms and conditions and for the consideration set forth in this Settlement Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the Parties hereto as follows:

II. SETTLEMENT TERMS

A. Definitions

1. “Action” means the case entitled ***Kim Marie Schlosser v. Retail Services WIS CORP, dba WIS International, Superior Court State of California, County of Sacramento*** Case No. 23CV002756.

2. “Attorney’s Fees” means such attorney fees as the Court may award to Plaintiff’s Counsel for the services they have rendered and will render to the PAGA Employees in the Action, and which shall not exceed \$283,333.33.

3. “Attorney’s Costs” means such litigation costs as the Court may award to Plaintiff’s Counsel for the costs it has incurred and will incur in the investigation, litigation, and resolution of the Action, and in the administration of the Settlement, and which shall not exceed \$20,000.00.

4. “Defense Counsel” means Jody A. Landry and Sarah Boxer of Littler Mendelson, P.C.

5. “Effective Date” means the date this Settlement is approved as provided herein and the Court’s order granting Settlement Approval and entry of Final Judgment becomes final and is no longer appealable. For purposes of this Settlement, “becomes final and is no longer appealable” shall mean the later of: (a) the day after the last date by which a notice of appeal to the applicable Court of Appeal of the order and judgment approving this Settlement may be timely filed and none is filed (*i.e.*, 61 days from notice of entry of judgment); (b) if an appeal is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or in any other manner that confirms the validity of the order and judgment, the day after the last date for filing a request for further review of the order and judgment approving this Settlement passes, and no further review is requested; or (c) if an appeal is filed and the order approving this Settlement is affirmed and further review of the order is requested, the day after the review is finally resolved and the order and judgment approving this Settlement is affirmed. In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Effective Date does not occur for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions. The Effective Date cannot occur, and Defendant will not be obligated to fund this Settlement, until and unless there is no possibility of an appeal or further appeal that could potentially prevent this Settlement from becoming final and binding.

6. “Gross Settlement Amount” means the maximum potential value of the settlement which is Eight Hundred and Fifty Thousand Dollars (\$850,000.00). The Maximum Settlement Amount is the maximum amount Defendant can be required to pay under this Settlement, including: (1) Payments to the PAGA Employees of their share of the Net Settlement Amount; (2) Attorneys’ Fees; (3) Attorney’s Costs; (4) Settlement Administration Costs; (5) the payment to

the LWDA of its share of Net Settlement Amount; (6) Plaintiff's payment as the PAGA representative; and (7) Plaintiff's individual settlement.

7. "Individual Settlement Payment" means the portion of the PAGA Settlement Fund allocated to each PAGA Employee, as calculated pursuant to Section C(13) below. One hundred percent (100%) of the Individual Settlement Payments made to PAGA Employees shall be deemed miscellaneous income for which a Form 1099 will be issued.

8. "Net Settlement Amount" means the Maximum Settlement Amount *minus* the sum of: (1) Attorney's Fees; (2) Attorney's Costs; (3) the Settlement Administration Costs; and (4) payments to Plaintiff. The LWDA will be paid 75% of the Net Settlement Amount and the remaining 25% of the Net Settlement Amount will be paid to the PAGA Employees and that amount shall be referred to as the "PAGA Employee Fund".

9. "Notice" means the form of notice that will be sent to each PAGA Employee accompanying their Individual Settlement Payments, which shall be substantially in the form attached hereto as **Exhibit A**.

10. "PAGA Employee" means all current and former non-exempt California employees of Defendant from April 1, 2022 through May 30, 2024.

11. "PAGA Employee List" means the list of full names, most recent mailing addresses, Social Security numbers, and number of pay periods worked by a PAGA Employee during the Settlement Period.

12. "Plaintiff's Attorneys" means Joshua S. Falakassa of Falakassa Law, P.C. and Mehrdad Bokhour of Bokhour Law Group, P.C.

13. "Released Claims" means (a) all claims for civil penalties under PAGA that were alleged or that could have been alleged in the Action based on the facts alleged in the Complaint and/or First Amended Complaint and the PAGA Notice, including but not limited to: (a) penalties pursuant to Labor Code sections 201, 202, 203, 204, 210, 211, 218.5, 218.6, 221, 222, 223, 224, 225.5, 226, 226.3, 226.7, 227.3, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 510, 512, 516, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, 2802, 2810.5, CCR Title 8 Section 11040 (5)(A) (reporting time pay), (b) the applicable minimum wage order and applicable wage order (including, but not limited to, any claims for failure to pay the minimum wage, failure to pay overtime, failure to keep required records, failure to provide meal periods, and failure to authorize and permit rest periods), claims for the attorney's fees and costs incurred in the prosecution of this Action on behalf of the PAGA Employees; (c) any other remedies, penalties, or interest based on the facts alleged in the First Amended Complaint; and (d) all claims that Plaintiff and/or the PAGA Employees may have against the Released Parties relating to: (i) the payment, taxation, and allocation of attorney's fees and costs to Plaintiff's Counsel pursuant to this Settlement Agreement; and (ii) the payment, taxation, and allocation of PAGA Representative Payment pursuant to this Settlement Agreement. The release of the Released Claims shall be effective as to the Settlement Period (defined below).

14. “Released Parties” means Retail Services WIS CORP. and its parents, subsidiaries, affiliates, and related organizations.

15. “Settlement Administrator” means ILYM Group, Inc., a third-party settlement claims administrator that the Parties will ask the Court to appoint for the purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

16. “Settlement Administration Costs” means the amount from the Gross Settlement Amount which shall be allocated, subject to the Court’s approval, to the Settlement Administrator for services rendered in administering the Settlement, and which shall not exceed \$7,000.

17. “Settlement Approval Order and Judgment” means the settlement approval order and judgment that will be entered by the Court, which shall be substantially in the form attached hereto as **Exhibit B**.

18. “Settlement Fund Account” means the bank account established by the Settlement Administrator pursuant to the terms of this Settlement Agreement, from which all monies payable under the terms of this Settlement shall be paid, as set forth herein.

19. “Settlement Period” means the period from April 1, 2022 through May 30, 2024.

20. “Void Date” means the 181st day after issuance of Individual Settlement Payment checks to PAGA Employees, upon which the Individual Settlement Payment checks will no longer be valid and negotiable.

B. Consideration

1. No Admission of Liability. Defendant has contended and continues to contend that the allegations in the Action have no merit and do not give rise to liability. Defendant specifically denies all of the allegations in the PAGA Letter, and Complaint. This Settlement Agreement is a compromise of such disputed claims. Nothing contained in this Settlement Agreement and no documents referred to herein and no action taken to carry out this Settlement Agreement may be construed or used as an admission by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever.

2. Gross Settlement Components. Provided that the Court approves the Settlement and the Effective Date occurs, Defendant will pay the Gross Settlement Amount of Eight Hundred and Fifty Thousand Dollars (\$850,000.00). All amounts to be paid by Defendant shall be deposited into the Settlement Fund Account, which shall be administered by the Settlement Administrator. All amounts to be paid to anyone pursuant to this Settlement Agreement shall be paid out of the Settlement Fund Account.

a. Attorney’s Fees. In full satisfaction of all claims Plaintiff may have for attorney fees arising out of the Action, the Parties agree that Defendant will pay Plaintiff’s

Counsel up to a total of \$283,333.33 in Attorney's Fees. Defendant agrees not to oppose Plaintiff's application for Attorney's Fees not to exceed this sum. The Attorney's Fees to be awarded to Plaintiff's Counsel are subject to the approval of the Court and will be paid only from the Gross Settlement Amount. Any portion of the Attorney's Fees not awarded to Plaintiff's Counsel will be added to the Net Settlement Amount. Plaintiff understands and agrees that this Agreement and Release shall remain in full force and effect even if the full amount of Attorney's Fees identified herein is not awarded by the Court. Plaintiff understands and agrees that she cannot appeal the Court's order on Attorney's Fees.

- b. Attorney's Costs. In full satisfaction of all claims Plaintiff may have for litigation costs and expenses arising out of the Action, the Parties agree that Defendant will pay Plaintiff's Counsel up to a total of \$20,000.00 in Attorney's Costs. Defendant agrees not to oppose Plaintiff's application for Attorney's Costs not to exceed this sum. The Attorney's Costs to be awarded to Plaintiff are subject to the approval of the Court and will be paid only from the Gross Settlement Amount. Any portion of the Attorney's Costs not awarded to Plaintiff's Counsel will be added to Net Settlement Amount. Plaintiff understands and agrees that this Agreement and Release shall remain in full force and effect even if the full amount of Attorney's Costs identified herein is not awarded by the Court. Plaintiff understands and agrees that she cannot appeal the Court's order on Attorney's Costs.
- c. Settlement Administration Costs. Defendant shall pay for third-party administration fees that are necessary to administer the Settlement up to a maximum payment of \$7,000. The Settlement Administration Costs to be paid to the Settlement Administrator are subject to the Court's approval and will be paid only from the Gross Settlement Amount. Any portion of the Settlement Administration Costs not awarded by the Court will be added to the Net Settlement Amount.
- d. PAGA Representative Payment. Defendant agrees not to oppose a request for a PAGA Representative Payment to Plaintiff in an amount not to exceed \$10,000.
- e. PAGA Representative's General Release: Plaintiff will provide the Released Parties with a Complete and General Release which shall become effective as of the date she signs it. The consideration for that agreement will be the PAGA Representative Payment of \$10,000. Plaintiff shall waive any and all rights she may have under Civil Code section 1542
- f. Net Settlement Amount. The Parties agree that pursuant to PAGA, seventy-five percent (75%) of Net Settlement Amount (which is currently estimated to be \$397,250)– will be paid to the LWDA. The remaining twenty-five percent (25%) of the Net Settlement Amount (which is currently estimated to be \$132,416.67) will be paid to all PAGA Employees pursuant to the calculation method set forth in section C(13) below.

- g. PAGA Pay Periods: As of the mediation, the parties negotiated the settlement based on Plaintiff's extrapolated estimate of 36,815 pay periods from April 1, 2022, through April 1, 2024. If the actual pay periods is more than 10% larger, i.e. 40,496.5, for the Settlement Period (through May 30, 2024) then the Maximum Settlement Amount shall increase commensurate with the percentage increase over 10%. For example, if the Settlement Administrator determines that the number of pay periods worked by Settlement Group Members during the Data Period is actually 42,000, then the Gross Settlement Amount will increase by \$31,543 (\$850,000 divided by 40,496.5 = \$20.98 x 1,503.5 excess pay periods).

3. PAGA Employees' Release. Upon the Effective Date, Plaintiff, on behalf of herself and the State of California releases the Released Parties from the Released Claims during the Settlement Period. PAGA Employees may discover facts in addition to those they now know or believe to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, PAGA Employees shall be deemed to have, and by operation of the Settlement Approval order shall have, fully, finally, and forever settled and released any and all of the Released Claims, without regard to the subsequent discovery or existence of such different or additional facts. PAGA Employees agree not to sue or otherwise make a claim against any of the Released Parties that seek recovery for any of the Released Claims. It is the intent of the Parties that the Settlement Approval order entered by the Court shall have full *res judicata* effect and be final and binding upon PAGA Employees regarding the Released Claims.

C. Settlement Administration Procedures

1. Settlement Approval Motion. Following full execution of this Settlement Agreement, Plaintiff will promptly request a hearing before the Court to seek approval of the Settlement on a mutually available date. In conjunction with such hearing, Plaintiff's Counsel will present this Settlement Agreement to the Court and will request that the Court issue a Settlement Approval Order and Judgment (substantially in the form of the proposed Settlement Approval Order and Judgement attached hereto as **Exhibit B**) approving and incorporating by reference the terms and conditions of the Settlement Agreement. Plaintiff will concurrently submit the Settlement Agreement to the LWDA as required by the PAGA statute. Defendant agrees not to oppose Plaintiff's motion for Settlement Approval unless the motion is inconsistent with the terms set forth in this Settlement Agreement.

2. No Right of PAGA Employees to Object or Opt-Out. The Parties agree there is no statutory right for any PAGA Employee to object, opt out or otherwise exclude himself or herself from the Settlement. Except as otherwise stated, Plaintiff will vigorously defend against any attempt by any PAGA Employee or any entity or agency to intervene in this matter or object to/opt-out of this settlement. The Parties further agree there is no right or opportunity for any PAGA Employee to appeal the approval of the Settlement by the Court. The Parties will jointly defend against any appeal filed with respect to the Final Order.

3. LWDA Notice. Pursuant to California Labor Code § 2699(l), Plaintiff will provide a copy of this Settlement to the LWDA concurrently with filing the motion for Settlement Approval. Plaintiff will also file a declaration in support of her motion for Settlement Approval

confirming that she has submitted the Settlement to the LWDA in compliance with Labor Code § 2699(I).

4. Judgment and Continued Jurisdiction. After entry of the Final Approval order and Judgment, the Court will have continuing and exclusive jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement; (b) matters relating to the administration of the Settlement; and (c) any such post-Judgment matters as may be appropriate under Court rules or as set forth in this Settlement Agreement.

5. Settlement Administrator. Upon approval of the Court, Plaintiff will retain ILYM Group, Inc. as the third-party Settlement Administrator to administer this Settlement. The Settlement Administrator will be responsible for: establishing the Settlement Fund Account; calculating Individual Settlement Payments; preparing, printing, and mailing the Individual Settlement Checks and accompanying Notice to PAGA Employees; disbursing payment of Attorney's Fees and Attorney's Costs to Plaintiff's Counsel; disbursing payment to the LWDA consisting of seventy-five percent (75%) of the PAGA Settlement Fund; printing and providing PAGA Employees, Plaintiff, and Plaintiff's Counsel with IRS Forms 1099 as required under this Settlement Agreement and applicable law; providing a due diligence declaration for submission to the Court upon completion of the terms of the Settlement; and for such other tasks as the Parties mutually agree or the Court orders. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities, and shall not mail any payments to Plaintiff, the LWDA, Plaintiff's counsel or any PAGA Employee until the amounts are approved by the Parties. Any legally mandated tax reports, tax filings, or other tax documents required by the administration of this Settlement shall be prepared by the Settlement Administrator. Any expenses incurred in connection with such preparation shall be part of the Settlement Administration Costs.

6. PAGA Employee List. On or before the Effective Date, Defendant will provide the Settlement Administrator with the PAGA Employee List, which shall be used solely for the administration of this Settlement and for no other purpose, and which shall not be shared with any persons or entity not employed by the Settlement Administrator and working on the administration of this Settlement. Because PAGA Employees' sensitive personal information is included in the PAGA Employee List, the Settlement Administrator shall maintain the PAGA Employee List securely and in confidence, maintaining the strictest standards of data privacy. Access to the PAGA Employee List shall be limited to employees of the Settlement Administrator with a need to use the PAGA Employee List for administration of this Settlement and the PAGA Employee List shall be returned to Defendant once settlement administration is concluded.

7. Funding of the Settlement. Within thirty (30) business days following the Effective Date, Defendant shall fund the Settlement by delivering the funds to the Settlement Administrator.

8. Payment of Attorney's Fees and Attorney's Costs. Within ten (10) calendar days following the Funding of the Settlement, the Settlement Administrator shall pay from the Settlement Fund Account the Court-approved Attorney's Fees and Attorney's Costs to Plaintiff's Counsel. Plaintiff's Counsel agrees to provide the Settlement Administrator with an executed IRS Form W-9 before payments for Attorney's Fees and Attorney's Costs are issued. The Settlement

Administrator shall issue an IRS Form 1099 to Plaintiff's Counsel for the payments made pursuant to this paragraph.

Neither Plaintiff's Counsel nor any other current or past counsel for Plaintiff shall be permitted to petition the Court for, or to accept, any additional payments for attorney's fees, costs, interest, or any other amount from Defendant except as specified above. Defendant's payment of the Attorney's Fees and Attorney's Costs shall constitute full satisfaction of the obligation to pay any amounts to any person, attorney, or law firm, including but not limited to Plaintiff's Counsel, or attorney's fees, expenses, and/or costs in the Action incurred by any other attorney or law firm for attorney's fees, expenses, and/or costs to which any of them may claim to be entitled on behalf of Plaintiff and/or PAGA Employees. The Parties further agree that Plaintiff's Counsel's Attorney Fees and Attorney Costs shall be for all attorney's fees, expenses, and/or costs, present and future, incurred in the Action by all attorneys working on behalf of Plaintiff and/or PAGA Employees.

9. Settlement Administration Costs. Within ten (10) calendar days following the Funding of the Settlement, the Settlement Administrator shall pay from the Settlement Fund Account the Court-approved Settlement Administration Costs.

10. Payment to LWDA. Within ten (10) calendar days following the Funding of the Settlement, the Settlement Administrator shall issue from the Settlement Fund Account a check payable to the LWDA for seventy-five percent (75%) of the PAGA Settlement Fund.

11. Individual Settlement Payments. Within ten (10) calendar days following the Funding of the Settlement, the Settlement Administrator shall issue from the Settlement Fund Account Individual Settlement Payments based on the twenty-five percent (25%) of the PAGA Settlement Fund to PAGA Employee's last known mailing address. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any checks returned as non-deliverable on or before the Void Date will be sent promptly via regular First Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip trace, or other search using the name, address or Social Security number of the PAGA Employee involved, and will then perform a single re-mailing. Any check re-mailings will not extend the 180-day period to cash a check. Any checks issued to PAGA Employees shall remain valid and negotiable for one hundred and eighty (180) calendar days from the date of their issuance and then shall become void on the 181st day after issuance, *i.e.*, the Void Date. The Parties agree that, within fourteen (14) calendar days after the Void Date, any unclaimed funds in the Settlement Fund Account as a result of the failure to cash Individual Settlement Payment checks prior to the Void Date shall be sent to the California Unclaimed Property Fund in the name of the PAGA Employee.

12. Calculation of Individual Settlement Payments. Each PAGA Employee's pro rata share of the PAGA Employee Fund ("Individual Settlement Share") will be determined by converting the PAGA Employee Fund into a pay period value. The pay period value will be established by dividing the PAGA Employee Fund by all pay periods for the PAGA Employees from April 1, 2022 through May 30, 2024 ("PAGA Period"). The pay periods worked by PAGA

Employees during the PAGA Period will be determined by the number of pay periods actually worked by each PAGA Employee. The Settlement Award for each PAGA Employee will be determined by multiplying the pay period value by each PAGA Employee's individual pay periods. All payments are for penalties and will be reported on IRS 1099 forms.

13. PAGA Pay Periods: As of the mediation, the parties negotiated the settlement based on Plaintiff's extrapolated estimate of 36,815 pay periods from April 1, 2022, through April 1, 2024. If the actual pay periods is more than 10% larger, i.e. 40,496.5, for the Settlement Period (through May 30, 2024) then Defendant will have the option of either: (a) closing the release period on the date that the pay periods exceeds 40,496.5; or (b) increasing the Maximum Settlement Amount commensurate with the percentage increase over 10%. For example, Defendant chooses option b, if the number of pay periods worked by Settlement Group Members during the Data Period is actually 42,000, then the Gross Settlement Amount will increase by \$31,543 (\$850,000 divided by 40,496.5 = \$20.98 x 1503.5 excess pay periods).

14. Tax Treatment of Individual Settlement Payments. One hundred percent (100%) of each Individual Settlement Payment shall be allocated to miscellaneous income for which an IRS Form 1099 will issue, if required by law.

15. Administration of Taxes. The Settlement Administrator will be responsible for issuing to Plaintiff, PAGA Employees, and Plaintiff's Counsel Form 1099s or other tax forms as may be required by law for all amounts paid pursuant to this Settlement, and for forwarding all penalties to the appropriate government authorities.

16. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties. Plaintiff's Counsel shall file this declaration with the Court within seven (7) calendar days of receipt.

D. Miscellaneous Provisions

1. No Effect on Employee Benefits. Amounts paid to Plaintiff and other PAGA Employees pursuant to this Settlement Agreement do not count as earnings or compensation for purposes of any benefits (e.g., 401(k) plans or retirement plans) sponsored by Defendant.

2. Tax Liability. The Parties make no representation as to the tax treatment or legal effect of the payments called for hereunder, and the Parties are not relying on any statement, representation, or calculation by any of the Parties or by the Settlement Administrator in this regard. Plaintiff understands and agrees that she will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein and will hold Plaintiff's Counsel, Defendant, the Released Parties, Defense Counsel, and the Settlement Administrator free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages. Each Party to this Settlement (for purposes of this section, the "Acknowledging Party" and each Party to this Settlement Agreement other than the Acknowledging Party, an "other Party") acknowledges and agrees that: (a) no provision of this Settlement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers,

is or was intended to be, nor will any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended); (b) the Acknowledging Party (i) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Settlement, (ii) has not entered into this Settlement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (iii) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and (c) no attorney or advisor 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 the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement Agreement.

3. No Prior Assignments. The Parties and their counsel represent, covenant, 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 herein released and discharged.

4. No Pending Lawsuits By Plaintiff. Other than this Action, Plaintiff represents that she does not have any pending lawsuits, administrative complaints, or charges against Defendant or the Released Parties in any local, state, or federal court or administrative agency. Plaintiff further acknowledges that all claims raised therein, if any, shall be fully and finally extinguished by virtue of this Settlement Agreement and the Court's Settlement Approval order.

5. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

6. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms with respect to the Released Claims, and no oral or written representations, warranties or inducements have been made to any Party concerning this Settlement Agreement or its Exhibits other than the representations, warranties and covenants contained and memorialized in the Settlement Agreement and its Exhibits.

7. Amendment or Modification. This Agreement may be amended or modified only by a formal written instrument signed by counsel for all Parties or their successors-in-interest.

8. Authorization to Enter Into Settlement Agreement. The Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms. The person or persons signing this Settlement Agreement on behalf of Defendant represent and warrant that she is authorized to sign this Settlement Agreement on behalf of Defendant. Plaintiff represents and warrants that she is authorized to sign this Settlement Agreement and that she has not assigned any claim covered by this Settlement to a third party.

9. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

10. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

11. California Law Governs. All terms of this and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

12. Execution and Counterparts. This Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

13. Acknowledgement that the Settlement is Fair, Adequate and Reasonable. The Parties believe this Agreement is a fair, adequate and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations facilitated by an experienced wage and hour class action mediator, and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness, adequacy and reasonableness of this Settlement.

14. Waiver of Certain Appeals. In the event the Court grants Approval of this Settlement, the Parties agree to waive appeals concerning this Settlement.

15. Captions. The captions and paragraph numbers in this Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Agreement.

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

17. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel, and reviewed in full. Further, Plaintiff and Plaintiff's Counsel warrant and represent that there are no liens on the Agreement.

18. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Agreement by, among other things, modifying the 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. .

19. Publicity. Plaintiff and Counsel agree not to issue a press release or otherwise notify the media about the terms of the Settlement or advertise or market any of the terms of the Settlement through written, recorded, or electronic communications. In addition, Counsel will not put details about the settlement on their website. However, this will not prevent Counsel from undertaking required submissions and disclosures that are required to obtain approval of the Settlement, including and not limited to, submission of the Settlement to the LWDA in conformity with the PAGA statute.

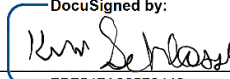
20. Notices. Unless otherwise specifically provided, all notices, demands or other communications in connection with this Agreement shall be: (a) in writing; (b) deemed given on the third business day after mailing; and (c) sent via United States registered or certified mail, return receipt requested, addressed as follows:

To Plaintiff:	To Defendant:
Mehrdad Bokhour Bokhour Law Group, P.C. Joshua Falakassa Falakassa Law, P.C. 1901 Avenue of the Stars, Suite 450 Los Angeles, CA 90067	Jody A. Landry Littler Mendelson, P.C. 501 W. Broadway, Suite 900 San Diego, CA 92101

It is hereby agreed.

Dated: 6/2/2024

PLAINTIFF

DocuSigned by:

KIM MARIE SCHLOSSER

For Defendant Retail Services WIS CORP:

Dated: 06/21/2024

Richard Baxter
78B424DCBF840BB5F1B22C7FA01283D0 contractworks.
Richard Baxter, Chief Financial Officer

Exhibit A –

[Administrator Notice]

You are receiving this payment because of a lawsuit brought by a former California employee, Kim Marie Schlosser (“Plaintiff”) against Retail Services WIS CORP (“Company”) for civil penalties pursuant to the Private Attorneys General Act, Labor Code § 2698 *et seq.* (“PAGA”). Plaintiff raised claims against the Company related to underpayment of regular and final wages, issuance of wage statements, paying minimum wage, paying overtime, authorizing and permitting rest periods, providing meal periods; deductions, recordkeeping, , sick pay and other related claims.

The Company denies these claims and denies that it owes any penalties, but to avoid further time and expense in litigation, the Company and Plaintiff have agreed to settle the case. The settlement resolves the claims asserted in the lawsuit on behalf of all Retail Services WIS Corp’s California non-exempt employees between April 1, 2022 and May 30, 2024. (“PAGA Employees”).

According to Company records, you are a PAGA Employee and are therefore entitled to a share of the settlement. This settlement check shall remain valid until **[insert date]**.

This check is issued pursuant to the terms of the PAGA settlement in the case entitled ***Kim Marie Schlosser v. Retail Services WIS CORP, dba WIS International, Superior Court State of California, County of Sacramento*** Case No. 23CV002756.

This payment is taxable income for federal, state, and local tax purposes and may be reported to the appropriate taxing authorities. You may be required to make additional tax payments. Please consult a tax advisor to determine your individual tax payment and reporting situation. You will be mailed appropriate tax forms in January 2025. Please notify us of any address changes so that any necessary tax forms can be mailed to your most current address.

If you have any questions about your award, please contact the **[insert administrator information]**.

EXHIBIT B

[to be placed on pleading paper with case caption and entitled “Order Approval of PAGA Settlement”]

This matter having come before the Court on Plaintiff Kim Marie Schlosser’s (“Plaintiff”) motion for approval of the Parties' Settlement pursuant to California's Private Attorneys General Act, California Labor Code § 2698 *et seq.* (“PAGA”), it is hereby ORDERED:

1. This Order incorporates the Private Attorneys General Act Settlement Agreement and Release (“Settlement Agreement”) agreed to between Plaintiff, on behalf of herself and the State of California, on the one hand, and Defendant, on the other hand. Unless otherwise provided herein, all capitalized terms used herein shall have the same meaning as defined in the Settlement Agreement. The Court has jurisdiction over the subject matter of this lawsuit and all matters relating thereto, and over all parties to the Action.

2. The Court has considered the nature of the claims, the amount paid in settlement, which is \$850,000 (“Gross Settlement Fund”), the allocation of settlement proceeds among the aggrieved employees, and the fact that a settlement represents a compromise of the Parties' respective positions rather than the result of a finding of liability at trial. The Court hereby finds the Settlement is fair to those affected and is not unjust, arbitrary and oppressive, or confiscatory, has been reached as a result of serious and non-collusive, arm's-length negotiations. The Court therefore approves the Settlement as set forth in the Settlement Agreement and directs the Parties to effectuate the Settlement according to the terms outlined in the Settlement Agreement.

3. The Court hereby finds that Plaintiff's notice of the proposed Settlement submitted to the Labor and Workforce Development Agency fully and adequately complied with the notice requirements of California Labor Code § 2699.

4. Upon the Effective Date, the Plaintiff and the PAGA Employees shall be bound by the releases set forth in the Settlement Agreement. Specifically, by operation of this Judgment, Plaintiff, on behalf of herself, the State of California, and all PAGA Employees, release the Released Parties from the Released Claims, further defined below, during the Settlement Period. PAGA Employees may discover facts in addition to those they now know or believe to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, PAGA Employees shall be deemed to have, and by operation of the Settlement Approval order shall have, fully, finally, and forever settled and released any and all of the Released Claims, without regard to the subsequent discovery or existence of such different or additional facts. For that reason, PAGA Employees cannot sue or otherwise make a claim against any of the Released Parties that seeks recovery for any of the Released Claims. Released Claims are defined as "all claims for civil penalties under PAGA that were actually alleged or that could have been alleged in the Action by Plaintiff, on behalf of the State of California, herself and the PAGA Employees, based on the facts alleged in the Complaint, including but not limited to: (a) penalties pursuant to Labor Code sections 201, 202, 203, 204, 210, 211, 218.5, 218.6, 221, 222, 223, 224, 225.5, 226, 226.3, 226.7, 227.3, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 510, 512, 516, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, 2802, 2810.5, CCR Title 8 Section 11040 (5)(A), (b) claims for the attorney's fees and costs incurred in the prosecution of this Action on behalf of the PAGA Employees; (c) any other remedies, penalties, or interest based on the facts alleged in the Complaint; and (d) all claims that Plaintiff and/or the PAGA Employees may have against the Released Parties relating to: (i) the payment, taxation, and allocation of attorney's fees and

costs to Plaintiff's Counsel pursuant to this Settlement Agreement; and (ii) the payment, taxation, and allocation of Plaintiff's Payment pursuant to this Settlement Agreement. The release of the Released Claims shall be effective as to the defined "Settlement Period", which is the period from April 4, 2022 through May 30, 2024.

5. Neither the Settlement nor any of the terms set forth in the Settlement Agreement are admissions by Defendant, or any of the other Released Parties, of liability on any of the allegations alleged in the Action, nor is this Order a finding of the validity of any claims in the Action, or of any wrongdoing by the Defendant, or any of the other Released Parties.

6. Pursuant to the terms of the Settlement, the Court awards Attorney's Fees to Plaintiff's Counsel in the total amount of \$283,333.33, to be paid out of the Gross Settlement Fund, as final payment for and complete satisfaction of any and all attorney's fees arising out of the Action.

7. Pursuant to the terms of the Settlement, the Court awards Attorney's Costs to Plaintiff's Counsel in the total amount of \$_____, to be paid out of the Gross Settlement Fund, as final payment for and complete satisfaction of any and all attorney's costs arising out of the Action.

8. The Court appoints ILYM Group, Inc.. to serve as the Settlement Administrator. Furthermore, pursuant to the terms of the Settlement, the Court awards fees to ILYM in the amount of \$6,650 as compensation for its fees and costs in administering this Settlement. This amount is to be paid out of the Gross Settlement Fund.

9. Pursuant to the terms of the Settlement Agreement, the Net Settlement Fund shall be allocated as follows: seventy-five percent (75%) of the Net Settlement Fund, , will be paid to the LWDA, and the remaining twenty-five percent (25%), will be paid to all

PAGA Employees allocated pursuant to the method set forth in the Settlement Agreement for calculating Individual Settlement Payments.

10. Defendant will not be required to pay any additional amounts in connection with the Settlement other than those amounts specifically set forth in the Settlement Agreement and this Order.

12. The Court reserves exclusive and continuing jurisdiction over the lawsuit for the purposes of supervising the implementation, enforcement, construction, administration, and interpretation of the Settlement Agreement and this Judgment.

13. The Court hereby enters judgment of the entire Action, with prejudice, for the reasons set forth above and upon the terms set forth in the Settlement Agreement.

14. This Judgment is intended to be a final disposition of the above-captioned action in its entirety and is intended to be immediately appealable. Subject to the Court's continuing jurisdiction as set forth above, the Court directs the Clerk of the Court to enter Judgment.

IT IS SO ORDERED.