

Edwin Aiwazian (SBN 232943)
Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020
Facsimile: (818) 265-1021

Attorneys for Plaintiff Abram Cannon

[List of Counsel Continued on Following Page]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

ABRAM CANNON, individually, and on behalf
of other aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

IPS, INC., an unknown business entity; IPS
SECURITY, INC., a California corporation;
AMERICAN EMPLOYMENT INSTITUTE, a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 30-2023-01300848-CU-OE-CXC

Honorable Melissa R. McCormick
Dept. CX104

PAGA SETTLEMENT AGREEMENT

Complaint Filed: January 9, 2023
Trial Date: None Set

PAGA SETTLEMENT AGREEMENT

1 Jill J. Parker (State Bar No. 274230)
jill@parkerminne.com
2 S. Emi Minne (State Bar No. 253179)
emi@parkerminne.com
3 **PARKER & MINNE, LLP**
4 700 S. Flower Street, Suite 1000
Los Angeles, California 90017
5 Telephone: (310) 882-6833
Facsimile: (310) 889-0822
6
7 Attorneys for Plaintiff Abram Cannon
8 Ahmed Kasem (CA Bar No. 217956)
KASEM LAW
9 555 Anton Boulevard, Suite 150
Costa Mesa, California 92626
10 Telephone: (714) 371-4030
akasem@kasemko.com
11
12 Attorneys for Defendants IPS, Inc., IPS Security, Inc.,
and American Employment Institute
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PAGA SETTLEMENT AGREEMENT

1 This PAGA Settlement Agreement (“Agreement,” “Settlement,” or “Settlement
2 Agreement”) is made and entered into between Plaintiff Abram Cannon (“Plaintiff”), on his own
3 behalf, on behalf of the State of California, and on behalf of other Aggrieved Employees as defined
4 below, and Defendants IPS, Inc., IPS Security, Inc., and American Employment Institute
5 (“Defendants”).

6 **I. DEFINITIONS**

7 1. “Action” means the civil action filed on January 9, 2023 in the Superior Court for the
8 County of Orange in the State of California, entitled *Abram Cannon, individually, and on behalf of*
9 *other aggrieved employees pursuant to the California Private Attorneys General Act vs. IPS, INC., an*
10 *unknown business entity; IPS SECURITY, INC., a California corporation; AMERICAN*
11 *EMPLOYMENT INSTITUTE, a California corporation; and DOES 1 through 100, inclusive*, Case
12 Number 30-2023-01300848-CU-OE-CXC.

13 2. “Aggrieved Employees” means all current and former non-exempt and/or hourly-paid
14 employees who worked for Defendants in the State of California at any time during the PAGA Period.

15 3. “Aggrieved Employees’ Payment” means twenty-five percent (25%) of the Net
16 Settlement Amount.

17 4. “Attorneys’ Fees and Costs” means attorneys’ fees for Plaintiff’s Counsel’s litigation
18 and resolution of this Action and their expenses and costs incurred in connection with the Action,
19 which shall be paid from the Gross Settlement Amount.

20 5. “Complaint” means the Complaint for Enforcement Under the Private Attorneys
21 General Act, California Labor Code § 2698 et seq. that was filed in this Action on January 9, 2023.

22 6. “Court” means the Superior Court for the County of Orange.

23 7. “Defendants’ Counsel” means Ahmed Kasem of Kasem Law.

24 8. “Effective Date” means the later date of the following: (1) thirty days after the date that
25 this Agreement is fully executed; or (2) the date the Court signs and enters the Settlement Approval
26 Order.

27 9. “Eligible Pay Periods” means the total number of pay periods that each Aggrieved
28 Employee worked for Defendants during the PAGA Period.

1 10. "Gross Settlement Amount" means the settlement amount of Three Hundred Twenty
2 Thousand Dollars and Zero Cents (\$320,000.00) to be paid by Defendants in full satisfaction of all
3 Released Claims, which includes Individual PAGA Payments to be paid to Aggrieved Employees,
4 LWDA Payment to the LWDA, Attorneys' Fees and Costs to Plaintiff's Counsel, and Settlement
5 Administration Costs.

6 11. "Individual PAGA Payment" means the portion of the Net Settlement Amount to be
7 allocated and paid to each Aggrieved Employee as provided in this Agreement. Each Individual
8 PAGA Payment shall be calculated by multiplying the Aggrieved Employee's number of total Eligible
9 Pay Periods by the Pay Period Value.

10 12. "LWDA" means the California Labor and Workforce Development Agency.

11 13. "LWDA Payment" means seventy-five percent (75%) of the Net Settlement Amount.

12 14. "Net Settlement Amount" means the sum remaining after the Court-approved
13 deductions from the Gross Settlement Amount for: (1) Attorneys' Fees and Costs to Plaintiff's Counsel
14 and (2) Settlement Administration Costs.

15 15. "PAGA" means the Labor Code Private Attorneys General Act of 2004, California
16 Labor Code sections 2698, et seq.

17 16. "PAGA Notice" means the November 4, 2022 written notice submitted by Plaintiff's
18 Counsel on behalf of Plaintiff and the Aggrieved Employees to the LWDA, with a copy sent to
19 Defendants via U.S. Certified Mail, pursuant to California Labor Code section 2699.3, in which he
20 provided notice of the specific provisions of the California Labor Code alleged to have been violated
21 by Defendants, including the facts and theories to support the alleged violations.

22 17. "PAGA Period" means the period from November 4, 2021 through December 7, 2023.

23 18. "Parties" means the parties to the Agreement, specifically, Plaintiff and Defendants.

24 19. "Pay Periods" means the total number of Defendants' pay periods during the PAGA
25 period in which an Aggrieved Employee was employed by, and actively worked for, Defendants in an
26 hourly-paid, non-exempt position in the State of California. Any pay period in which an Aggrieved
27 Employee worked at least one day for Defendants shall be included in the calculation of the Pay
28 Periods. The Settlement Administrator will calculate the total number of Pay Periods worked by all

1 Aggrieved Employees during the PAGA Period, the Pay Period Value, and the Individual PAGA
2 Payments payable to each Aggrieved Employee. The Settlement Administrator will calculate the
3 number of Pay Periods worked by each Aggrieved Employee based upon the information provided by
4 Defendants in the Aggrieved Employees List, as provided for in Paragraph 42(a). Defendants' payroll
5 data used to calculate the number of Pay Periods in the Aggrieved Employees List will be presumed
6 correct.

7 20. "Pay Period Value" means the amount of the Aggrieved Employees' Payment divided
8 by the total number of Pay Periods. The Pay Period Value shall be calculated by the Settlement
9 Administrator.

10 21. "Plaintiff's Counsel" means Edwin Aiwazian, Arby Aiwazian, and Joanna Ghosh of
11 Lawyers for Justice, PC and Jill J. Parker and S. Emi Minne of Parker & Minne, LLP.

12 22. "Released Claims" means any and all claims or causes of action for penalties under
13 PAGA and all relief that may be sought thereunder for the applicable statutory period through the date
14 of settlement, whether known or unknown, that Plaintiff or any Aggrieved Employee had, now has,
15 has asserted, or may hereafter assert against Defendants or any Released Parties that are based on, or
16 arise from, the factual allegations in the Complaint or the PAGA Notice, during the PAGA Period,
17 including, but not limited to: (i) failure to pay all overtime wages due (Labor Code sections 510 and
18 1198); (ii) failure to provide meal periods or compensation in lieu thereof (Labor Code sections 226.7
19 and 512(a)); (iii) failure to provide rest periods or compensation in lieu thereof (Labor Code section
20 226.7); (iv) failure to pay all minimum wages due (Labor Code sections 1194, 1197, and 1197.1); (v)
21 failure to timely pay wages at time of termination or resignation (Labor Code sections 201-203); (vi)
22 failure to timely pay wages during employment (Labor Code section 204); (vii) failure to provide
23 complete, accurate wage statements (Labor Code section 226(a)); (viii) failure to keep requisite payroll
24 records (Labor Code section 1174(d); and (ix) failure to reimburse necessary business expenses (Labor
25 Code sections 2800 and 2802).

26 23. "Released Parties" means Defendants IPS, Inc., IPS Security, Inc., and American
27 Employment Institute, as named by Plaintiff in the Complaint, and their past, present and/or future,
28 direct and/or indirect, officers, directors, members, managers, employees, agents, representatives,

1 attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries,
2 affiliates, divisions, predecessors, successors, assigns, joint venturers, sub-contractors, vendors,
3 clients, joint employers, co-employers, payroll services, temporary-hiring agencies, divisions,
4 predecessors, successors, assigns and related companies, board members, trustees, shareholders,
5 managing members, auditors, accountants, benefits administrators or third-party administrators,
6 experts, contractors, representatives, reinsurers, and other persons acting on their behalf, both in their
7 individual and representative capacities.

8 24. "Settlement" or "Settlement Agreement" means the agreement to settle the claims as
9 set forth and embodied in this Agreement.

10 25. "Settlement Administration Costs" means the reasonable fees and costs payable from
11 the Gross Settlement Amount to the Settlement Administrator for performing the settlement
12 administration functions expressly required by this Agreement to administer the Settlement.

13 26. "Settlement Administrator" means ILYM Group, Inc. The Parties each represent that
14 they do not have any financial interest in the Settlement Administrator or otherwise have a relationship
15 with the Settlement Administrator that could create a conflict of interest.

16 27. "Settlement Approval Order" means an order from the Court granting approval of the
17 Settlement.

18 28. "Settlement Cover Letter" means the cover letter to be mailed by the Settlement
19 Administrator to each Aggrieved Employee along with Individual PAGA Payment checks in
20 substantially the form that is attached hereto as Exhibit A.

21 **II. RECITALS**

22 29. On November 4, 2022, Plaintiff submitted the PAGA Notice to the LWDA and to
23 Defendants. The PAGA Notice alleged that Defendants violated California Labor Code sections 201,
24 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and
25 2802, and Industrial Welfare Commission Wage Order 4-2001. The PAGA Notice alleged, *inter alia*,
26 that Defendants failed to pay minimum and overtime wages, failed to provide meal and rest periods,
27 failed to timely pay wages during employment, failed to timely pay wages upon termination, failed to
28 keep accurate payroll records, failed to furnish accurate itemized wage statements, and failed to

1 reimburse necessary business expenses.

2 30. Plaintiff filed the Complaint on January 9, 2023 in the Superior Court for the County
3 of Orange. The Complaint alleged one cause of action pursuant to PAGA for: (1) Violation of
4 California Labor Code sections 510 and 1198 (Unpaid Overtime Wages); (2) Violation of California
5 Labor Code sections 226.7 and 512(a) (Failure to Provide Meal Periods); (3) Violation of California
6 Labor Code section 226.7 (Failure to Provide Rest Periods); (4) Violation of California Labor Code
7 sections 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code
8 sections 201, 202, 203; (Failure to Timely Pay Wages Upon Termination); (6) Violation of California
9 Labor Code section 204 (Failure to Timely Pay Wages During Employment); (7) Violation of
10 California Labor Code section 226(a) (Failure to Provide Complete and Accurate Wage Statements);
11 (8) Violation of California Labor Code section 1174(d) (Failure to Keep Complete and Accurate
12 Payroll Records); and (9) Violation of California Labor Code sections 2800 and 2802 (Unreimbursed
13 Business Expenses).

14 31. On December 7, 2023, the Parties mediated with Tagore Subramaniam, Esq., and
15 reached the Settlement that is memorialized herein. The Parties' settlement discussions were
16 conducted at arms' length, and the Settlement is the result of an informed and detailed analysis of
17 Defendants' potential liability and exposure in relation to the costs and risks associated with continued
18 litigation. Based on Plaintiff's Counsel's investigation, Plaintiff's Counsel believes that the
19 Settlement for the consideration and on the terms set forth in this Settlement Agreement is fair,
20 reasonable, and adequate and is in the best interest of Plaintiff, the Aggrieved Employees, and the
21 State of California in light of all known facts and circumstances, including the risk of significant delay
22 and uncertainty associated with litigation and various defenses asserted by Defendants.

23 32. There has been no determination on the merits of the Action or Defendants' defenses
24 thereto. However, in order to avoid additional cost and the uncertainty of litigation, the Parties desire
25 to resolve the Released Claims.

26 **III. SETTLEMENT CONSIDERATION**

27 33. In consideration for Plaintiff signing this Settlement Agreement and complying with
28 its terms, Defendants shall pay the maximum non-reversionary gross sum of Three Hundred Twenty

1 Thousand Dollars and Zero Cents (\$320,000.00) to resolve the Action and Released Claims, which
2 shall be distributed as follows:

- 3 a. Attorneys' fees of up to one-third (1/3) of the Gross Settlement Amount, i.e., One
4 Hundred Twelve Thousand Dollars and Zero Cents (\$112,000.00), and
5 reimbursement of litigation costs and expenses not to exceed Thirty Thousand
6 Dollars and Zero Cents (\$30,000.00) to Plaintiff's Counsel, which Defendants will
7 not contest.
- 8 b. Settlement Administration Costs up to the amount of Twenty Thousand and Zero
9 Dollars (\$20,000.00) to the Settlement Administrator.
- 10 c. LWDA Payment consisting of seventy-five percent (75%) of the Net Settlement
11 Amount shall be distributed to the LWDA, and the remaining twenty-five percent
12 (25%) of which is the Aggrieved Employees' Payment shall be distributed to the
13 Aggrieved Employees.

14 34. The Parties estimated for purposes of settlement discussions that there were
15 approximately 6,125 pay periods during the period from November 4, 2021 to December 7, 2023. If
16 it is determined by the Settlement Administrator that the number of Pay Periods during the PAGA
17 Period actually exceeds 6,125 by more than 5% (i.e., by more than 306.25 Pay Periods), Defendants
18 shall have the option of either: (1) increasing the Gross Settlement Amount on a pro-rata basis equal
19 to the percentage increase in the number of Pay Periods worked by the Aggrieved Employees above
20 5% (e.g., if the number of Pay Periods increases by 6% to 6,492.5 Pay Periods, the Gross Settlement
21 Amount will increase by 1%), or (2) agreeing that the end date of the PAGA Period shall be the date
22 before the Pay Periods exceed the 5% threshold.

23 35. Because this is a settlement of PAGA claims for civil penalties only, no portion of the
24 Settlement is allocated to unpaid wages. One hundred percent (100%) of the payments for Attorneys'
25 Fees and Costs and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees as
26 described in Paragraph 33 will be treated and reported for tax purposes as non-wage payments and
27 will not be subject to local, state or federal payroll tax withholdings. The Settlement Administrator
28 will be responsible for issuing IRS Forms 1099 as required.

1 **IV. SETTLEMENT DISBURSEMENT AND DISMISSAL OF ACTION**

2 36. It is understood and agreed by the Parties that, shortly after this Agreement is fully
3 executed by the Parties, Plaintiff and Plaintiff's counsel shall take all steps they deem necessary to
4 obtain the Court's entry of a Settlement Approval Order.

5 37. Defendants shall fund the Gross Settlement Amount in two (2) installments. Within
6 thirty (30) days of the Effective Date (the "Initial Funding Date"), Defendants will make an initial
7 deposit (the "First Installment") of Two Hundred Twenty Thousand Dollars and Zero Cents
8 (\$220,000.00) into an interest-bearing account established by the Settlement Administrator for
9 administration of the Settlement. Within one (1) year of the Initial Funding Date, Defendants will
10 make a second deposit (the "Second Installment") of One Hundred Thousand Dollars and Zero Cents
11 (\$100,000.00) into the account established by the Settlement Administrator for administration of the
12 Settlement. If the date by which payment by Defendants is due falls on a Saturday, Sunday, or legal
13 holiday in the State of California, then the due date shall be extended to the next following day which
14 is not a Saturday, Sunday, or legal holiday in the State of California.

15 38. The Settlement Administrator will distribute funds as follows:

16 a. Within fourteen (14) calendar days of the Initial Funding Date, any available
17 funds shall be distributed by the Settlement Administrator in the following order of priority:
18 (1) payment of the Employee PAGA Amount to Aggrieved Employees; (2) payment to the
19 LWDA of the LWDA Payment; and (3) payment of one-half of the Settlement
20 Administration Costs to the Settlement Administrator. Any funds remaining after this
21 distribution shall be retained in the account established by the Settlement Administrator to
22 be distributed after the Second Funding Date.

23 b. Within fourteen (14) calendar days of the Second Funding Date, the Settlement
24 Administrator shall distribute all of the remaining funds as follows: (1) remaining payment
25 of one-half of the Settlement Administration Costs to the Settlement Administrator; and (2)
26 payment of Court-approved Attorneys' Fees and Costs to Plaintiff's Counsel.

27 39. Upon complete distribution of the Gross Settlement Amount by the Settlement
28 Administrator in accordance with this Settlement Agreement, the Settlement Administrator will

1 promptly notify the Parties of such.

2 **V. COURT APPROVAL OF THE SETTLEMENT AGREEMENT**

3 40. The Parties will cooperate in obtaining an order from the Court approving this
4 Settlement Agreement and dismissal of the Action based thereon, as described herein. The Parties
5 further agree to cooperate in the drafting and/or filing of any further documents and/or filings
6 reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the
7 Court in order to obtain approval and implementation of this Settlement Agreement, and the payments
8 described in Paragraph 33. A copy of this Settlement Agreement will be submitted to the LWDA at
9 the same time the Settlement Agreement is present to the Court for approval.

10 41. **Settlement Termination.** The Parties expressly acknowledge that the Court's
11 approval of the Settlement Agreement is a condition precedent to any payments described in this
12 Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant
13 approval of this Settlement Agreement and/or should the Court refuse to grant dismissal of the action
14 and closure of the case based on the Settlement (a) the entirety of this Settlement Agreement shall be
15 null and void; (b) any action taken or to be taken in connection with this Settlement Agreement and
16 the Settlement shall become null and void and of no effect, (c) this Settlement Agreement and the
17 Settlement and any hearings or proceedings thereunder shall not be referred to or used as evidence for
18 or against any party or Aggrieved Party in this or any other action or proceeding, (d) all pre-trial
19 proceedings, including discovery, shall resume thirty (30) calendar days thereafter as if this Settlement
20 had not been proposed for approval of the Court. Notwithstanding this provision, the Parties agree
21 that they shall make a good faith effort to resolve any issues raised by the Court prior to invoking their
22 right to nullify the Settlement Agreement under this provision. The Parties further agree that, if
23 necessary, they shall meet and confer regarding returning to and attending an additional mediation in
24 an effort to reach a Settlement that may be approved by the Court.

25 **VI. DISTRIBUTION OF THE GROSS SETTLEMENT AMOUNT AND NOTICE TO**
26 **AGGRIEVED EMPLOYEES**

27 42. Each Aggrieved Employee will be entitled to a *pro rata* share of the Aggrieved
28 Employees' Payment based upon the number of Eligible Pay Periods that they worked. The Eligible

1 Pay Periods are the number of pay periods that each Aggrieved Employee worked during the PAGA
2 Period, as established by Defendants' payroll records. Each Aggrieved Employee will be credited
3 with at least one (1) Eligible Pay Period.

4 a. To calculate each Aggrieved Employee's Individual PAGA Payment, the
5 Settlement Administrator shall multiply the number of Eligible Pay Periods an Aggrieved
6 Employee is credited by the Pay Period Value to arrive at each Aggrieved Employee's
7 Individual PAGA Payment.

8 b. Aggrieved Employees will not be required to submit any claim form or other
9 documentation to receive their Individual PAGA Payment.

10 c. One hundred percent (100%) of all Individual PAGA Payments are to be
11 considered penalties.

12 d. Aggrieved Employees may not opt out or object to the Settlement.

13 43. The Settlement Administrator shall distribute each Individual PAGA Payment by way
14 of check, along with the Settlement Cover Letter in the following manner:

15 a. No later than fourteen (14) calendar days after the Court's order granting
16 approval of the Settlement, Defendants shall provide the Settlement Administrator with a
17 list in Microsoft Excel of all Aggrieved Employees (the "Aggrieved Employees List"),
18 containing the following information for each Aggrieved Employee: (1) full name; (2) last
19 known home address; (3) last known telephone number; (4) social security number; (5) start
20 and end dates of active employment as a non-exempt employee of Defendants in the State
21 of California; (6) the number of Pay Periods worked during the PAGA Period; and (7) any
22 other information required by the Settlement Administrator in order to effectuate the terms
23 of the Settlement.

24 b. The Settlement Administrator shall conduct one (1) National Change of
25 Address ("NCOA") search for all individuals identified on the Aggrieved Employees List.

26 c. No later than fourteen (14) calendar days after the Settlement Administrator's
27 receipt of the Gross Settlement Amount, the Settlement Administrator shall mail the
28 Settlement Cover Letter and Individual PAGA Payment checks (together, the "PAGA

Settlement Package”) to all Aggrieved Employees by first-class United States mail. The Individual PAGA Payment checks issued to Aggrieved Employees shall remain valid for one hundred eighty (180) calendar days, and, thereafter, shall be cancelled.

d. For each PAGA Settlement Package that is returned as undeliverable, the Settlement Administrator shall promptly attempt to locate an alternate updated address for the Aggrieved Employee by performing a skip trace within three (3) business days of receipt of the returned mail; the Settlement Administrator shall then attempt one (1) re-mailing of the PAGA Settlement Package. Further, any PAGA Settlement Package returned with a forwarding address to the Settlement Administrator shall be re-mailed to the forwarding address affixed thereto.

e. The Settlement Administrator will submit all funds associated with cancelled Individual PAGA Payment checks to the State of California’s Unclaimed Property Fund.

VII. RELEASE OF CLAIMS BY PLAINTIFF, AGGRIEVED EMPLOYEES, AND THE STATE OF CALIFORNIA

44. Upon the Effective Date and the full funding of the Gross Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiff and Aggrieved Employees, individually and on behalf of their heirs, executors, administrators, representatives, attorneys, successors and assigns, and the State of California, on behalf of itself and its administrators, representatives, and assigns, will be deemed to have knowingly and voluntarily released and forever discharged the Released Parties, to the full extent permitted by law, of and from the Action and from any and all claims asserted and unasserted, arising during the period from November 4, 2021 through December 7, 2023, for civil penalties under California Labor Code section 2698, *et seq.* (“PAGA”) as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Complaint and in Plaintiff’s November 4, 2022 PAGA Notice, including failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to keep maintain requisite payroll records, failure to furnish accurate itemized wage statements, and failure to indemnify

1 or reimburse necessary business expenses, and for violations of California Labor Code sections 201,
2 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and
3 2802, and Industrial Welfare Commission Wage Order 4-2001. This release specifically excludes
4 Plaintiff's individual claims that do not arise under PAGA, including but not limited to, Plaintiff's
5 individual claims for unpaid minimum wages, unpaid overtime wages, meal period violations, rest
6 period violations, failure to timely pay wages upon termination, failure to reimburse business
7 expenses, wage statement violations, and claims for retaliation and wrongful termination, which are
8 the subject of a separate Settlement Agreement and General Release.

9 45. Plaintiff warrants and represents that Plaintiff has not assigned or transferred or
10 purported to assign or transfer to any person or entity all or any part of or any interest in any claim
11 released under this Settlement Agreement. Plaintiff is solely responsible for the satisfaction of any
12 assignment or lien to any lien holder and will indemnify and hold the Released Parties harmless against
13 any liens, damages, penalties, fines, fees, assessments, taxes or attorneys' fees that may be imposed
14 against or incurred by any of the Released Parties as a result of the Action of any lien holder or any
15 lien claimant or any court in relation to any interest which any third party may have in any claim which
16 Plaintiff is releasing under this Settlement Agreement or any interest in any of the proceeds paid to
17 Plaintiff or Plaintiff's Counsel under this Settlement Agreement.

18 **VIII. GOVERNING LAW**

19 46. This Settlement Agreement shall be governed and conformed in accordance with the
20 laws of the State of California provided, however, that parole evidence shall not be admissible to alter,
21 vary or supplement the term of this Settlement Agreement.

22 47. In the event of a breach of any provision of this Settlement Agreement, any Party
23 reserves the right to institute an action specifically to enforce any term or terms of this Settlement
24 Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement
25 Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that
26 action shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing Party.

27 **IX. MISCELLANEOUS**

28 48. Defendants agree that they will adopt a neutral reporting policy regarding any future

1 employment references related to Plaintiff. In the event that any potential or future employers of
2 Plaintiff request a reference regarding Defendants' employment of Plaintiff, Defendants shall only
3 provide Plaintiff's dates of employment and job titles during employment. Defendants shall not refer
4 to the Action or this Settlement.

5 49. This Settlement Agreement may not be modified, altered, or changed except through a
6 written modification signed by both Parties or their counsel wherein specific reference is made to this
7 Settlement Agreement, subject to approval by the Court.

8 50. This Agreement may be executed in one or more actual or non-original counterparts,
9 either through a physical original, facsimile, electronic, or e-mail signature, all of which will be
10 considered one and the same instrument and all of which will be considered duplicate originals.

11 51. The section headings used in this Settlement Agreement are intended solely for
12 convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in
13 the interpretation of any of the provisions hereof.

14 52. This Settlement Agreement was the result of negotiations between the Parties and their
15 respective counsel. In the event of vagueness, ambiguity or uncertainty, this Settlement Agreement
16 shall not be construed against the Party preparing it but shall be construed as if both Parties prepared
17 it jointly.

18 53. If Plaintiff or Defendants fail to enforce this Settlement Agreement or to insist on
19 performance of any term, that failure does not mean a waiver of that term or of the Settlement
20 Agreement. The Settlement Agreement remains in full force and effect anyway.

21 54. Upon entry of the Settlement Approval Order and dismissal of the Action, the Court
22 shall retain continuing jurisdiction pursuant to Code of Civil Procedure Section 664.6 for purposes of
23 addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement
24 administration matters, and (c) such post-judgment matters as may be appropriate under court rules or
25 as set forth in this Settlement Agreement.

26 **HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL**
27 **THE PROMISES AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE,**
28 **PLAINTIFF AND DEENDANT, FREELY AND KNOWINGLY, AND AFTER DUE**

1 **CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.**

2 **IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this**
3 **Settlement Agreement as of the date(s) set forth below:**

4 Dated: 01/03/2024

By:  Abram Cannon (Jan 3, 2024 17:52 PST)

Abram Cannon
Individually, and on Behalf of the State of California
and Aggrieved Employees

IPS, Inc.

8
9 Dated: 01/09/2024

By: David Sayed

Name: David Sayed
Title: Managing Director

IPS Security, Inc.

12
13 Dated: 01/09/2024

By: David Sayed

Name: David Sayed
Title: Managing Director
American Employment Institute

16
17 Dated: 01/09/2024

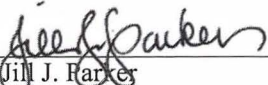
By: David Sayed

Name: David Sayed
Title: Managing Director

19
20 **APPROVED AS TO FORM AND CONTENT:**

21 **PARKER & MINNE, LLP**

22
23 Dated: January 3, 2024

By:  Jill J. Parker

Attorneys for Plaintiff Abram Cannon

25 **KASEM LAW**

26
27 Dated: January 9, 2024

By: Ahmed Kasem

Ahmed Kasem
Attorneys for Defendants IPS, Inc., IPS Security, Inc.,
and American Employment Institute

EXHIBIT A

NOTICE OF REPRESENTATIVE ACTION SETTLEMENT

If you are or were an hourly-paid, non-exempt employee of IPS, Inc., IPS Security, Inc., or American Employment Institute at any time between November 4, 2021 through December 7, 2023, you are entitled to receive money from a Settlement brought under the Labor Code Private Attorneys General Act of 2004 (“PAGA”).

A court approved this notice. This is not a solicitation from a lawyer. You are not being sued.

1. Why Am I Getting This Notice?

A settlement (the “Settlement”) has been reached in a representative action lawsuit entitled *Abram Cannon v. IPS, Inc., et al.*, Orange County Superior Court Case No. 30-2023-01300848-CU-OE-CXC (the “Action” or “Lawsuit”). The defendants in the Action are IPS, Inc., IPS Security, Inc., and American Employment Institute (“Defendants”). The Action was brought by Plaintiff Abram Cannon (“Plaintiff”), a former employee of Defendants, on behalf of the State of California and all alleged “Aggrieved Employees,” defined as all current and former hourly-paid, non-exempt employees who were employed by Defendants in the State of California at any time between November 4, 2021 through December 7, 2023 (the “PAGA Period”).

The Court has granted approval of the settlement amount to be paid by Defendants for settlement of the Action for civil penalties under PAGA.

Defendants’ employment records indicate that you meet the definition of an Aggrieved Employee. The Court directed that this Notice be sent to all Aggrieved Employees to inform you about the case and your rights.

This Notice explains the Lawsuit, the Settlement, your legal rights, and what benefits are available.

2. What is This Lawsuit About?

On November 4, 2022 Plaintiff provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendants of the specific provisions of the California Labor Code that he contends were violated (the “PAGA Notice”). On January 9, 2023, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, et seq (the “Complaint”). Plaintiff filed the Action as a Private Attorney General on behalf of the State of California and sought penalties on behalf of himself, the State, and all current and former hourly-paid, non-exempt employees of Defendants within the PAGA Period. Plaintiff alleges that Defendants owed penalties under California’s Private Attorneys General Act of 2004, California Labor Code §§ 2698, et seq. (“PAGA”). In agreeing to this settlement, Defendants do not admit to any wrongdoing or that they are liable in any way for any civil penalties under PAGA.

3. Why is There a Settlement?

The Court did not decide in favor of Plaintiff or Defendants. Instead, both sides agreed to a Settlement. This allows the Parties to avoid the risk and uncertainty of trial and any subsequent appeal, and all affected employees will receive compensation. Plaintiff and Plaintiff’s attorneys believe the Settlement is fair, reasonable and adequate, and in the best interests of all Aggrieved Employees.

4. What Are the Terms of the Settlement?

Defendants will pay Three Hundred Twenty Thousand Dollars and Zero Cents (\$320,000.00) to settle the Action (the “Gross Settlement Amount”). The Gross Settlement Amount includes: (a) all Individual PAGA Payments to be paid to Aggrieved Employees (“Aggrieved Employees’ Payment”); (b) a payment to the LWDA for civil penalties brought under PAGA; (c) Plaintiff’s Counsel’s attorneys’ fees in an amount not to exceed one-third of the Gross Settlement Amount (i.e., \$112,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00); and (d) the reasonable fees and costs of the Settlement Administrator, not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00).

After deductions are made from the Gross Settlement Amount for Plaintiff’s Counsel’s attorneys’ fees and costs, and the reasonable fees and costs of the Settlement Administrator, the remaining money (the “Net Settlement Amount”) will be split

between the LWDA and the Aggrieved Employees. The law requires that 75% of the Net Settlement Amount be paid to the LWDA. The remaining 25% of the Net Settlement Amount will be paid out to the Aggrieved Employees. No portion of the Gross Settlement Amount will be returned to Defendants.

5. How Much Am I Receiving?

Each Aggrieved Employee will receive a *pro rata* share of the PAGA Payment based on the number of pay periods the Aggrieved Employee worked for Defendants as an hourly-paid, non-exempt employee during the PAGA Period. Any pay period in which an Aggrieved Employee worked at least one day shall be counted as a pay period.

To calculate each Aggrieved Employee's Individual PAGA Payment, the Aggrieved Employees' Payment was divided by the aggregate total number of Eligible Pay Periods of all Aggrieved Employees, resulting in the "Pay Period Value." Each Aggrieved Employee's Individual PAGA Payment was then calculated by multiplying his or her individual Eligible Pay Periods by the Pay Period Value.

Your Eligible Pay Periods are:

Your Individual PAGA Payment is: \$

The Settlement checks will be valid for 180 days after they are issued. After 180 days, the Settlement checks will be void. Any funds represented by Settlement checks remaining uncashed for more than 180 days after issuance shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500, *et seq.* in the names of those Aggrieved Employees who did not cash their Settlement checks until such time as they claim their funds.

6. What Claims are Being Released by the Settlement?

A Judgment has been entered by the Court. Upon funding of the Gross Settlement Amount, all Aggrieved Employees will have released the Released Parties from the Released Claims for the PAGA Period, which is defined as the period of time between November 4, 2021 through December 7, 2023.

The Released Parties include Defendants IPS, Inc., IPS Security, Inc., and American Employment Institute, and their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The Released Claims include any and all claims or causes of action for penalties under PAGA, whether known or unknown, that Plaintiff or any Aggrieved Employee had, now has, has asserted, or may hereafter assert against Defendants or any Released Parties that are based on, or arise from, the factual allegations in the Complaint or the PAGA Notice, during the PAGA Period, including PAGA claims for violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission Wage Order 4-2001. Aggrieved Employees cannot opt out of or object to the foregoing PAGA Release.

If you have questions, you can call the Settlement Administrator at or you may contact Plaintiff's attorneys:

Edwin Aiwarzian, Esq.
Arby Aiwarzian, Esq.
Joanna Ghosh, Esq.
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020

Jill J. Parker, Esq.
PARKER & MINNE, LLP
700 S. Flower Street, Suite 1000
Los Angeles, California 90017
Telephone: (310) 882-6833

PLEASE DO NOT TELEPHONE THE COURT ABOUT THIS SETTLEMENT
The Court will not be able to assist you.