

PAGA SETTLEMENT AGREEMENT AND RELEASE

IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff Adan Jimenez (“Plaintiff”), for himself and on behalf of the State of California and all Private Attorneys General Act (“PAGA”) Settlement Members, on the one hand, and Defendant Innovative Cleaning Services, LLC (“Defendant”), on the other (collectively, the “Parties”), subject to the approval of the Court in accordance with California Labor Code section 2699(1)(2), that the Settlement of this Action shall be effectuated upon and subject to the following terms and conditions.

The Parties agree that the Actions (as defined in Section I below) shall be, upon approval by the Court, ended, settled, resolved, and concluded without any admission of fault or liability, as set forth in this Agreement and for the consideration set forth herein, including but not limited to a release of claims by Plaintiff and the PAGA Settlement Members as set forth herein.

I. DEFINITIONS

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

- (a) “Action” means the PAGA Action, Case No. 0-2022-01292149-CU-OE-CXC.
- (b) “Agreement” means this PAGA Settlement Agreement and Release.
- (c) “Approval Date” means the date the Court grants approval of this Agreement by signing and filing the Final Order.
- (d) “Complaint” means the operative First Amended Complaint, which was filed on or about January 10, 2023, for Violation of the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, et seq.)¹.
- (e) “Court” means the Superior Court for the State of California, County of Orange.
- (f) “Defendant” means the Defendant in this Action, Innovative Cleaning Services, LLC.
- (g) “Defense Counsel” or “Counsel for Defendant” means:

Nathan K. Low
nlow@fisherphillips.com
Kiki Y. Okpala
kokpala@fisherphillips.com

¹ Plaintiff’s First Amended Complaint also asserted class claims for: (1) failure to pay minimum and overtime wages; (2) failure to provide meal periods; (3) failure to provide rest breaks; (4) failure to provide accurate, itemized wage statements; (5) failure to pay all earned wages; (6) failure to reimburse business expenses; and (7) unfair business practices. However, on February 9, 2023, Plaintiff filed a Request for Dismissal to dismiss his class claims pursuant to the arbitration agreement Plaintiff executed which contained a class action waiver.

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San Francisco, California 94104
Telephone: (415) 490-9000
Facsimile: (415) 490-9001

- (h) “PAGA Settlement Members” or “aggrieved employees” means Defendant’s current and former non-exempt employees in the State of California from November 2, 2021, through the Approval Date, subject to the potential limitations as described in Section II(C)(c) below.
- (i) “PAGA Settlement Member Payment” means the portion of the Gross Settlement Amount that shall be paid to each PAGA Settlement Member per the terms and conditions of this Agreement.
- (j) “Effective Date” means the date by which all of the following have occurred:
 - (1) The Court has approved the PAGA Settlement Agreement;
 - (2) The Court has entered the Final Order;
 - (3) The later of the following
 - i. if no timely objections are filed or if all objections are withdrawn, the date on which the Court or any party hereto serves notice of entry of the Final Order;
 - ii. if an objection is filed and not withdrawn, the seventh (7th) calendar day after the date for filing an appeal and no such appeal being filed; or
 - iii. if any timely appeals are filed, the seventh (7th) calendar date after the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the settlement. Should any appeal not result in approval of the Parties’ Agreement as described herein, the Agreement shall be void *ab initio* and of no further force or effect, and the Parties shall be returned in all respects to their respective positions as of December 15, 2023.
- (k) “Final Order” means the final Court order entered in the PAGA Action in accordance with the terms herein, the Court adopting and approving this Agreement (and the terms of Settlement described herein) under the specific terms requested, and the Court retaining jurisdiction over the enforcement, implementation, construction, administration, and interpretation of the Settlement.
- (l) “Gross Settlement Amount” means the total gross settlement amount of Five Hundred Sixty Thousand Dollars and Zero Cents (\$560,000.00) to be paid by Defendant to fully and finally settle, resolve and conclude this Action as provided under this Agreement,

without any admission of fault or liability.

- (m) “LWDA” means the State of California Labor and Workforce Development Agency.
- (n) “Named Plaintiff” or “Plaintiff” means Adan Jimenez, individually and in his capacity as a representative of the State of California on behalf of other aggrieved employees.
- (o) “PAGA” means the California Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698 et seq.
- (p) “PAGA Action” means the matter of *Adan Jimenez v. Innovative Cleaning Services, Inc.*, filed in the Superior Court of California, County of Orange, Case No. 0-2022-01292149-CU-OE-CXC.
- (q) “PAGA Claims” means all claims, demands, liabilities, damages, attorneys’ fees, costs, and penalties against the Released Parties, that can be recovered under the facts asserted in the LWDA Notice and PAGA Action for alleged: (1) unpaid wages, minimum wages, regular wages, overtime and double time wages, in violation of Labor Code sections 510, 558, 1194, 1197 and 1197.1; (2) meal and rest period violations, in violation of Labor Code sections 226.7 and 512; (3) untimely payment of wages, in violation of Labor Code section 204; (4) wage statement violations, in violation of Labor Code section 226(a); (5) separation pay violations, in violation of Labor Code sections 201, 202 and 203; and (6) unreimbursed business expenses, in violation of Labor Code section 2802 and corresponding Wage Orders during the PAGA Claim Period.
- (r) “PAGA Claim Period” means any time during the period of November 2, 2021 through the Approval Date of the PAGA Settlement, subject to the potential limitations as described in Section II(C)(c) below.
- (s) “Plaintiff’s Counsel” means:

Jose Garay
jose@garaylaw.com
JOSE GARAY, APLC
249 East Ocean Boulevard, Suite 814
Long Beach, California 90802
Telephone: (949) 208-3400
Facsimile: (562) 590-8400
- (t) “Released Parties” means Defendant, its third-party staffing agencies, its parents, subsidiaries, affiliates, insurers, related entities and divisions, and its and their respective: (1) predecessors, successors, and assigns, and (2) current and former agents, heirs, executors, administrators, principals, officers, directors, shareholders, employees, founders, members, assigns, insurers, attorneys, and all others claiming through or by any of them.
- (u) “Settlement Administrator” means Phoenix.

II. APPROVAL AND IMPLEMENTATION OF SETTLEMENT

A. Cooperation

The Parties will cooperate in seeking approval of the Settlement described in this Agreement. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, including responding to challenges by any third parties, and shall take all steps that may be requested by the Court relating to the approval and implementation of the Settlement described in this Agreement.

B. Court Approval

Because this Action include PAGA claims, this Agreement requires review and approval by the Court. *See* Cal. Lab. Code § 2699(1)(2). This Agreement is expressly contingent upon the Court's approval of this Settlement and the terms and material conditions of this Agreement (including, but not limited to, issuance of the Final Order in a form agreed to by the Parties and entry of the Final Order in accordance therewith). The Court's failure to approve this Settlement shall render the entire Agreement voidable and unenforceable as to the Parties, at the option of either Plaintiff or Defendant. Each party may exercise its option to void this Agreement as provided above by giving notice, in writing, to the other party, and to the Court within fifteen (15) days after the Final Order denying approval of the Settlement has been received by the party seeking to void the Agreement.

Plaintiff will file a Motion for Approval of PAGA Settlement and for an Order approving this Agreement. If the Court does not grant the request for approval and issue the Final Order, under the specific terms requested, the Parties agree to meet and confer to address the Court's concerns and determine whether resolution of the Action can be obtained in a manner consistent with the Court's concerns.

Plaintiff shall submit a copy of the Final Order in this Action and a copy of any other order providing for or denying an award of civil penalties to the LWDA within ten (10) days after entry of the Final Order, in compliance with section 2699(1)(3) of the California Labor Code.

C. Gross Settlement Amount Payment Procedures

(a) **Gross Settlement Amount**

In exchange for the releases, obligations, and promises set forth in this Agreement (and subject to the terms and conditions contained in this Agreement), Defendant agrees to pay the Gross Settlement Amount of \$560,000.00, which is the total and all-inclusive amount Defendant will be obligated to pay under the Settlement embodied by this Agreement, subject only to the potential pro-rata increase as described in Section II(C)(c) below. The Gross Settlement Amount shall be allocated as follows:

- (1) Attorneys' Fees and Costs: Plaintiff's Counsel may apply to the Court for up to one-third of the total Gross Settlement Amount (currently estimated at \$186,666.67) ("Fee Amount") as attorneys' fees and will request up to \$16,639.95 in actual costs ("Actual Costs") pursuant to PAGA, which

provides for the recovery of attorneys' fees and costs. Any modification of such application by the Court shall not (i) affect the enforceability of the Agreement, (ii) provide any of the Parties with the right to terminate the Agreement, or (iii) impose any obligation on Defendant to increase the consideration paid in connection with the Settlement. Plaintiff's Counsel's entitlement to fees and costs is a material condition of this Settlement, but the Fee Amount awarded is not. If Plaintiff's Counsel's requests for the Fee Amount or Actual Cost are not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will be distributed amongst the PAGA Settlement Members pursuant to the allocation formula set forth in Section II(C)(a)(4).

- (2) Settlement Administration Fees: All Settlement Administration expenses shall be paid from the Gross Settlement Amount and shall not exceed Twelve Thousand Dollars (\$12,000.00) ("Settlement Administration Fees"). Settlement Administration expenses paid to an outside Settlement Administration service must come out of the Gross Settlement Amount. The Parties agree to retain Phoenix to serve as the Settlement Administrator in this matter. If the Settlement Administration Fees are less than the estimated amount of \$12,000.00, the remainder will be distributed amongst the PAGA Settlement Members pursuant to the allocation formula set forth in Section II(C)(a)(4).
- (3) Plaintiff's Enhancement Payment: Defendant agrees not to oppose Plaintiff Adan Jimenez's request for an enhancement payment of Five Thousand Dollars (\$5,000.00) in recognition for the work Plaintiff has done on behalf of the State of California and the aggrieved employees. If Plaintiff's request for an enhancement payment is not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will be distributed amongst the PAGA Settlement Members pursuant to the allocation formula set forth in Section II(C)(a)(4).
- (4) Payment of PAGA Penalties: The total sum available for payment of PAGA penalties shall be calculated by deducting the Fee Amount, Actual Costs, Settlement Administration Fees, and Plaintiff's Enhancement Payment from the Gross Settlement Amount (this will yield the "Net Settlement Amount"). Thereafter, seventy-five percent (75%) of the Net Settlement Amount shall be distributed to the LWDA ("LWDA Payment") and the remaining twenty-five percent (25%) shall be distributed to the PAGA Settlement Members ("PAGA Settlement Member Payment").
 - i. The "PAGA Settlement Member Payment" for each PAGA Settlement Member shall be determined based on a formula taking into account the number of each PAGA Settlement Member's "Qualifying Pay Periods." A "Qualifying Pay Period" shall be defined as any pay period in which a PAGA Settlement Member was employed as a non-exempt employee during the PAGA Claim

Period, as determined by Defendant's records.

- ii. The amount paid to each PAGA Settlement Member will be determined as follows: The 25% amount to be distributed to PAGA Settlement Members will be divided by the total number of Qualifying Pay Periods for all PAGA Settlement Members during the PAGA Claim Period ("Qualifying Pay Period Amount"). Each PAGA Settlement Member will then be paid an amount equal to the Qualifying Pay Period Amount multiplied by that PAGA Settlement Member's total number of Qualifying Pay Periods.

(b) Funding and Distribution Process

Defendant shall fund the Gross Settlement Amount in two (2) installments. Defendant shall transmit the first installment of \$272,500.00 to the Settlement Administrator by the Approval Date or June 15, 2024, whichever is later. Defendant shall transmit the second installment of \$287,500.00 to the Settlement Administrator six months from the date the first installment was paid. Each installment shall be held by the Settlement Administrator in a low-risk interest bearing account, until distribution following the Effective Date.

Within ten (10) business days of the date Defendant transmitted the second installment of the Gross Settlement Amount, Defendant shall provide the Settlement Administrator with a PAGA Employees List which shall state each PAGA Settlement Members' (1) full name, (2) last known address, (3) social security number, (4) dates of employment, and (5) the numbers of Qualifying Pay Periods he or she worked. This information is being provided confidentially to the Settlement Administrator only, and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the confidentiality of contact information of the PAGA Settlement Members. This information is to be used only to carry out the Settlement Administrator's duties as specified in this Agreement.

Defendant will have five (5) business days from the date upon which the Settlement Administrator sends any requests for approvals regarding forms, calculations and timing to review and respond to any such inquiries. Failure to respond within the five (5) business days will constitute an approval of the issue. Within ten (10) business days of receiving the final PAGA Employees List, the Settlement Administrator will disburse PAGA Settlement Member Payments to each PAGA Settlement Member, will disburse the Attorneys Fees to Plaintiff's Counsel, will disburse the Attorneys' Costs to Plaintiff's Counsel, will send a check to Plaintiff for the Enhancement Payment, and will send a check to the LWDA for the LWDA Payment, in the amount calculated pursuant to the terms of this Agreement.

Prior to the disbursement to PAGA Settlement Members, the Settlement Administrator shall run a skip trace to obtain updated address information for every PAGA Settlement Member. PAGA Settlement Members who receive their PAGA Settlement Member Payments via U.S. Mail will receive a letter along with their PAGA Settlement Member Payment explaining the reason for the payment, substantially in the form attached hereto as **Exhibit A**, the content of which will be submitted to the Court for approval. Such mailing as described in this paragraph shall be conclusive evidence of payment of the PAGA Settlement Member Payments, and shall satisfy any and all due

process requirements. All funds not claimed within 180 days of mailing of payment shall be paid out to a mutually agreed upon *cy-pres* organization which supports “projects that will benefit the class or similarly situated persons, or that promote the law consistent with the objectives and purposes of the underlying cause of action, to child advocacy programs, or to nonprofit organizations providing civil legal services to the indigent” pursuant to California Code of Civil Procedure section 384.

(c) Pro Rata Increase

Defendant has represented that there are approximately 879 aggrieved employees who worked approximately 23,650 pay periods between November 2, 2021 through December 15, 2023. This estimate serves as the basis for Plaintiff accepting the Settlement. In the event the actual number of pay periods worked by the PAGA Settlement Members during the period from November 2, 2021 through the Approval Date exceeds 23,650 by more than 10%, then Defendant will need to choose whether to increase the Gross Settlement Amount on a proportional basis (i.e., if there was 15% increase in pay periods, Defendant would increase the Gross Settlement Amount by an additional 5%) or have the PAGA Claim Period end on the date when the 10% is reached.

(d) No Additional Contribution by Defendant

Defendant’s monetary obligation under this Agreement is limited to the Gross Settlement Amount (subject only to the potential pro-rata increase as described in Section II(C)(c) above). Defendant shall not be required to pay more than the Gross Settlement Amount to obtain the relief (including, but not limited to, the Settlement, releases of claims, issuance of the Final Order, dismissal of all claims in the Actions with prejudice) provided in this Agreement or to fully and finally settle and resolve the claims alleged in the PAGA Action.

Notwithstanding the above, in the event that this Agreement is voided or nullified, in whole or in part, however that may occur, or the Settlement of the Actions are barred by operation of law, or invalidated, or ordered not to be carried out by a Court of competent jurisdiction, Defendant will cease to have any obligation to pay any portion of the Gross Settlement Amount to anyone under the terms of this Agreement.

(e) Tax Indemnity

The PAGA Settlement Member Payments are penalties, shall be reported on an IRS Form 1099 (to the extent required by law), and will not be subject to local, state or federal tax withholdings. Each PAGA Settlement Member will be responsible for paying all applicable state, local and federal income taxes on all amounts received pursuant to this Settlement, and the Released Parties shall not be held liable for any failure to do so.

III. LIMITATIONS ON USE OF THIS SETTLEMENT

A. No Admission

Defendant disputes that Plaintiff or any PAGA Settlement Member are entitled to any additional wages other than those already paid and/or any penalties, dispute the allegations and each and every cause of action in the Actions, and dispute that the Actions may be maintained on

a class or representative basis. This Agreement is entered into solely for the purpose of compromising highly disputed claims. This Agreement and the payment of the Gross Settlement Amount and the other considerations recited herein represent the compromise of disputed claims. Nothing in this Agreement is intended as or may be construed as an admission of liability, unlawful conduct, or wrongdoing by Defendant (and/or any of the Released Parties) in any way, shape or form, and Defendant and the Released Parties deny any such liability or wrongdoing.

B. Non-Evidentiary Use

Except for purposes of effectuating the Settlement pursuant to this Agreement and/or for Defendant (and/or a Released Party) to establish that a PAGA Settlement Member has resolved any of his/her claims released through this Agreement, and regardless of whether the Final Order occurs, neither this Agreement nor any of its terms (including, but not limited to, the payment of the Gross Settlement Amount) nor the Settlement itself will be construed as, offered, or admitted in evidence as, received as, or deemed to be evidence, in any further proceeding in the PAGA Action, or any other civil, criminal, and/or administrative action or proceeding, for any purpose adverse to Defendant or any of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by Defendant or any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage.

C. Nullification

If (a) the Court should for any reason fail to approve this Settlement consistent with the specific terms agreed to by the Parties and set forth herein, (b) the Court should for any reason fail to enter the Final Order, or (c) the Final Order is reversed, modified, or declared or rendered void, then this Agreement shall be deemed voidable and unenforceable as to Plaintiff and Defendant, at the option of either party. Each party may exercise its option to void this Settlement as provided above by giving notice, in writing, to the other, and to the Court within fifteen (15) days after the Final Order granting approval of the Settlement or a Final Order denying approval of the Settlement has been received by the party seeking to void the Settlement.

Where either party has exercised its option to void this Settlement, (i) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (ii) all Parties to this Agreement and the pleadings in this Action shall stand in the same position they were the day prior to December 15, 2023 in this Action, without prejudice to either Party; and (iii) Defendant will not have any obligation to pay any portion of the Gross Settlement Amount to anyone under the terms of this Agreement.

IV. RELEASE AND WAIVER OF CLAIMS

A. Claims Released By the LWDA and All PAGA Settlement Members

Upon the Effective Date, the LWDA, all PAGA Settlement Members, and the State of California shall be deemed to have fully, finally, and forever waived, released, relinquished, and discharged Defendant and each and all of the Released Parties from the PAGA Claims, including, demands, liabilities, damages, attorneys' fees, costs and penalties that can be recovered under the facts asserted in the LWDA Notice and PAGA Action. PAGA Settlement Members will not be provided the opportunity to opt out of this release. It is understood and agreed that this Agreement

neither releases the Released Parties from liability, if any, to PAGA Settlement Members for violations of any predicate statutes other than PAGA, nor constitutes a waiver of claims by PAGA Settlement Members against the Released Parties for any individual non-PAGA wage and hour claims.

B. Claims Released By Plaintiff

In addition, upon the Effective Date, Plaintiff shall be deemed to have fully, finally, and forever waived, released, relinquished, and discharged Defendant and each and all of the Released Parties of all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any Defendant. With respect to those claims released by Plaintiff in his individual capacity, Plaintiff acknowledges and waives any and all rights and benefits available under California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by them to exist may hereafter be discovered. It is Plaintiff's intention to settle fully and release all claims they may now have against the Released Parties, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

C. No Additional Attorneys' Fees or Costs

The Parties agree to bear its/their own attorneys' fees and costs related to this Action, except as specifically provided above with respect to the Fee Amount, Actual Costs and Enforcement Action.

V. MISCELLANEOUS PROVISIONS

A. Confidentiality

The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiries, or have any communication with the press about the fact, amount, or terms of this Agreement. In addition, the Parties and their counsel agree that they will not engage in any advertising or distribute any marketing materials relating to the Settlement of this case in any manner that identifies Defendant, including but not limited to any postings on any websites maintained by Plaintiff's Counsel. Neither Plaintiff nor Plaintiff's Counsel will discuss the terms or the fact of the Settlement with third parties other than (1) their

immediate family members, (2) their respective accountants or lawyers as necessary for tax purposes; or (3) other PAGA Settlement Members.

B. LWDA Notice

The LWDA will be given notice of this Settlement pursuant to the 2016 amendments to the PAGA. Cal. Lab. Code § 2699(1)(2). Plaintiff will serve a copy of the Settlement to the LWDA on the same day the Settlement is filed with the Court.

Additionally, a copy of the Court's Final Order will be submitted to the LWDA within ten (10) days after entry of the Final Order, pursuant to California Labor Code § 2699(1)(3).

C. Voluntariness

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm or other entity.

D. Amendments

The terms and provisions of this Agreement may be amended or modified only by an express written agreement that is signed by the Plaintiff and an authorized representative of Defendant.

E. Assignment

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, PAGA Settlement Member, the State of California, Plaintiff's Counsel, or Defense Counsel without the express written consent of each Party. Plaintiff individually and expressly warrants that he has not transferred to any person or entity, any right or cause of action, or claim released by this Agreement.

F. Governing Law

This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, irrespective of the State of California's choice of law principles.

G. Entire Agreement

This Agreement contains the entire understanding of the Parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings governing the subject matter of this Agreement other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings among the Parties hereto with respect to the subject matter hereof, including, without limitation, the Memorandum of Understanding executed by the Parties.

H. Waiver of Compliance

A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

I. Counterparts

This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or its/their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. A fax or PDF signature on this Agreement shall be as valid as an original signature.

J. Meet and Confer Regarding Dispute(s)

Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, Plaintiff's Counsel and Defense Counsel shall meet and confer in an attempt to resolve such disputes prior to submitting such disputes to the Court.

K. Agreement Binding on Successors

This Agreement shall bind and inure to the benefit of the Parties hereto and to their respective successors, assigns, legatees, heirs, and personal representatives.

L. Cooperation in Drafting

The Parties have cooperated in the negotiation and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Agreement.

M. Fair Settlement

Plaintiff, Defendant, Plaintiff's Counsel, and Defense Counsel believe that this Agreement reflects a fair, reasonable, and adequate settlement of the Actions and have arrived at this Agreement through arms' length negotiation, taking into account all relevant factors, current and potential, and is consistent with public policy, and fully complies with applicable provisions of law.

N. Headings

The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement and shall not be considered in interpreting this Agreement.

O. Continuing Jurisdiction

The Parties agree that upon the occurrence of the Final Order pursuant to the terms of this Agreement, this Agreement shall be enforceable by the Court pursuant to Code of Civil Procedure section 664.6 and the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties and the PAGA Settlement Members to the fullest extent to interpret, enforce and effectuate the terms, conditions, intents and obligations of the Agreement.

P. No Reliance on Representations

The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other Parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement, or with respect to any such matters. No representations, warranties, or inducements have been made to any Party concerning this Agreement.

Q. Enforcement Action

In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date set forth below.

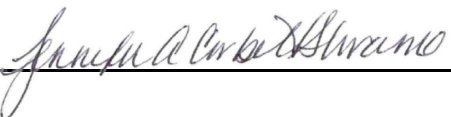
APPROVED AND ACCEPTED.

Dated: 5/1/2024, 2024

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ADAN JIMENEZ
Plaintiff and PAGA Representative

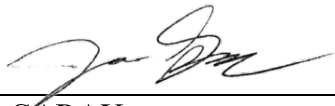
Dated: 4/24/2024, 2024 INNOVATIVE CLEANING SERVICES, LLC

By: 

**APPROVED AS TO FORM AND
ATTORNEY OBLIGATIONS ONLY**

Dated: 5/1/2024, 2024

JOSE GARAY, APLC

By: 
JOSE GARAY
Attorneys for Plaintiffs

Dated: 4/24/2024, 2024

FISHER & PHILLIPS LLP

By: 
NATHAN K. LOW
Attorneys for Defendant

EXHIBIT A

<<DATE>>

<<FIRST NAME>> <<LAST NAME>>

<<ADDRESS>>

Re: *Adan Jimenez v. Innovative Cleaning Services, Inc.* Orange County Superior Court Case No. 30-2022-01292149-CU-OE-CXC

Dear <<FIRST NAME>> <<LAST NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled, *Adan Jimenez v. Innovative Cleaning Services, Inc.* Orange County Superior Court Case No. 30-2022-01292149-CU-OE-CXC (the “PAGA Action”).

Adan Jimenez (“Named Plaintiff”) filed the PAGA Action against Innovative Cleaning Services, LLC (“ICS”) pursuant to the California Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.* (“PAGA”). Named Plaintiff brought the PAGA Action on behalf of the State of California and all current and former California non-exempt employees who worked at least one pay period for ICS in California at any time during the period of November 2, 2021 onward. You have been identified as one of the individuals on whose behalf the case was brought.

The Named Plaintiff in the PAGA Action claimed that ICS owed penalties under PAGA for alleged violations of the California Labor Code. More specifically, the Named Plaintiff alleged that ICS: (1) failed to pay minimum wages, regular wages, overtime and double time wages, in violation of Labor Code sections 510, 558, 1194, 1197 and 1197.1; (2) failed to provide meal and rest periods, in violation of Labor Code sections 226.7 and 512; (3) failed to make the timely payment of wages, in violation of Labor Code section 204; (4) failed to provide accurate itemized wage statements, in violation of Labor Code section 226(a); (5) failed to pay all wages owed upon separation of employment, in violation of Labor Code sections 201, 202 and 203; and (6) failed to reimburse employees for necessary business expenses, in violation of Labor Code section 2802.

ICS denies and disputes all allegations made by Plaintiff, and ICS maintains that it complied with the requirements of the California Labor Code and denies that it owes any penalties. In agreeing to this settlement, ICS does not admit that it is liable in any way, and no court has made any such findings regarding the credibility of the claims alleged.

The Court has not ruled on the merits of the PAGA Action, but it has approved the settlement amount the parties agreed to. The settlement provides for a cash payment by ICS in the amount of \$560,000 (“Gross Settlement Amount”). After deducting the service award to Plaintiff (\$5,000), attorneys’ fees (\$186,666.67), actual litigation costs (\$16,639.95) and the Settlement

Administrator's costs (\$12,000) from the Gross Settlement Amount, the remaining balance represents the Net Settlement Amount.

The Court has approved a Net Settlement Amount in the amount of \$339,693.38. By statute, seventy-five percent of the Net Settlement Amount (\$254,770.04) goes to the State of California's Labor and Workforce Development Agency. The remaining twenty-five percent (\$84,923.34) will be paid to the individuals who were allegedly affected by the Labor Code violations at issue in the case. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

You are not a party to this lawsuit, but you will be bound by the judgment in this matter as to civil penalties. As such, you will be giving up or "releasing" ICS from all claims, demands, liabilities, damages, attorney's fees, costs, and penalties that are asserted in the LWDA Notice and PAGA Action for alleged: (1) unpaid wages, minimum wages, regular wages, overtime and double time wages, in violation of Labor Code sections 510, 558, 1194, 1197 and 1197.1; (2) meal and rest period violations, in violation of Labor Code sections 226.7 and 512; (3) untimely payment of wages, in violation of Labor Code section 204; (4) wage statement violations, in violation of Labor Code section 226(a); and (5) separation pay violations in violation of Labor Code sections 201, 202 and 203; and (6) unreimbursed business expenses, in violation of Labor Code section 2802, and corresponding Wage Orders during the PAGA Claim Period.

Should you have any questions regarding the settlement, the contact information for the settlement administrator is [INSERT]

Sincerely,

[NAME AND TITLE OF SIGNATORY]