Docusign Envelope ID: 98FB32E4-7CC4-844E-81E7-26E750E0B41A

THE WHEELER LAW FIRM, APC
Scott Ernest Wheeler (SBN 187998)
Justin A. Wheeler (SBN 342226)
250 West First Street, Suite 216
Claremont, California 91711
Telephone: (909) 621-4988
Facsimile: (909) 621-4622
Email: sew@scottwheelerlawoffice.com
jaw@scottwheelerlawoffice.com

Attorney for Plaintiff and the other Aggrieved Employees

OSTERGAR LATTIN JULADNER LLP
John E. Lattin (SBN 167876)
9110 Irvine Center Drive
Irvine, California 92618
Telephone: (949) 305-4590
Email: jlattin@ostergar.com

Attorney for Defendant, 1906 Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

CHAWNDRA M. SPALIONE, on behalf of the STATE OF CALIFORNIA. individually, and on behalf of all other aggrieved employees,

Plaintiff,

v.

1906 INC., a California corporation company; and DOES 1 through 50, inclusive,

Defendants.

CASE NO.: CIVRS2507030

[Assigned for all purposes to the Honorable Tony Raphael, Department R-14]

STIPULATION FOR SETTLEMENT AND RELEASE UNDER THE PRIVATE ATTORNEYS GENERAL ACT, CALIFORNIA LABOR CODE § 2698, ET SEQ.

Action Filed: August 25, 2026
Trial Date: None Set

This Stipulation for Settlement and Release ("Agreement" or "Settlement") under the Private Attorneys General Act, California Labor Code section 2698 et seq. ("PAGA"), is made by and between Chawndra M. Spalione ("Plaintiff"), individually and as representative on behalf of allegedly Aggrieved Employees as further defined herein and the State of California and Defendant 1906 Inc. ("Defendant"). Plaintiff and Defendant are collectively referred to herein as the "Parties" and may be individually referred to as a "Party."

A. FACTUAL BACKGROUND

1. This Settlement is made and entered into by and between Plaintiff and Defendant, and is subject to the terms and conditions hereof, and to the Court's approval. The Parties expressly acknowledge that this Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. Defendant denies that they are liable to Plaintiff or the Aggrieved Employees and deny they have violated any law.

2. On June 10, 2025, Plaintiff filed a notice with the Labor & Workforce Development Agency ("LWDA") alleging that Defendant violated Labor Code Sections 200, 201, 202, 203, 203.1, 204, 210, 218.5, 225.5, 226, 226.3, 226.7, 245, 246, 247,5, 248.5, 351, 510, 512, 1174, 1194, 1197, 1198, 1199, 2699, 2802, 6401.7, 6401.9, 6428, 6429, 6721, and Industrial Welfare Wage Order, 5-2001, Sections §§3, 4, 7, 9, 11, 12, 14 ("suitable seating") and 20 ("PAGA Notice").

3. On August 25, 2025, Plaintiff filed her PAGA Complaint in San Bernardino Superior Court, Case No: CIVRS2507030 (hereinafter the "Action"). Plaintiff's complaint is based upon PAGA seeking civil penalties only, predicated on Defendant's alleged failure to provide meal and rest periods, failure to pay overtime wages, minimum wages, all wages due to discharged and quitting employees, failure to provide itemized wage statements, failure to maintain required records, failure to provide all gratuities, the failure to reimburse employees for necessary expenditures incurred in the discharge of duties, failure to provide suitable seating, and failure to implement a workplace violence prevention policy.

4. On October 30, 2025, Defendant filed an Answer denying all allegations in the

Action and all claims of any wrongdoing whatsoever by Defendant or any of its parents, subsidiaries, affiliates, divisions, agents, servants, or employees for any claims.

5. The Parties attended mediation on April 8, 2026, with the highly experienced mediator E. Will Klatte, Esq. The Parties reached this Settlement of the Action on a PAGA only basis subject to Court approval.

6. The Parties recognize the risk, expense, and delay in continuing the Action, and therefore believe the Settlement to be fair, reasonable, and adequate. Accordingly, the Parties desire to settle, compromise, and discharge all disputes and claims arising from or relating to the Action.

B. DEFINITIONS

1. "Action" means *Chawndra M. Spalione v. 1906 INC.*, filed on August 25, 2025, in the Superior Court of California, County of Sacramento, Case No. 25CV001913.

2. "Aggrieved Employees" means all non-exempt, hourly current and former employees who worked for Defendant in the State of California, at any time from August 25, 2024 through July 31, 2026.

3. "Agreement" or "Settlement" means this Stipulation for Settlement and Release.

4. "Plaintiff's Counsel" means Scott Ernest Wheeler and Justin A. Wheeler of The Wheeler Law Firm, APC.

5. "Complaint" means the operative complaint on file in this Action, filed on January 22, 2025.

6. "Court" means Superior Court of the State of California, for the County of San Bernardino.

7. "Defendant" means 1906 INC.

8. "Effective Date" means the date on which the Superior Court's Order and Judgment approving the Settlement is entered by the Court.

9. "Enhancement Payment" means the amount that the Court authorizes to be paid to the named Plaintiff, in recognition of her efforts and risks in assisting with the prosecution of the Action. Subject to the Court granting approval of the Settlement, the Parties agree that the

named Plaintiff shall be paid up to Six Thousand Dollars and Zero Cents ($6,000.00). The Enhancement Payment will be paid from the Gross Settlement Amount. It is understood by Plaintiff that the Court has final discretion as to the approval and payment of any Enhancement Payment.

10. "Gross Settlement Amount" means the gross amount of Seventy-Five Thousand Dollars and Zero Cents ($75,000.00) to be paid by Defendant as provided by this Agreement to fully and finally settle, resolve, and conclude this Action as to Released Parties, as providing under this Agreement, without any admission of fault or liability. The Gross Settlement Amount includes all Individual Settlement Payments to Aggrieved Employees, payment to the LWDA, Settlement Administration Costs, Attorneys' Fees and Costs, 1542 Release Payment and the Enhancement Payment to Plaintiff.

11. "Individual Settlement Payment" means the amount payable from the Net Settlement Fund to each Aggrieved Employee.

12. "Order and Judgment" means the Court's Order granting approval of the PAGA Settlement and entering Judgment, in the form substantially similar to that attached to this Agreement as **Exhibit A.**

13. "Net Settlement Fund" means the balance of the Gross Settlement Amount remaining after deduction of the approved Enhancement Payment to Plaintiff, Attorneys' Fees and Costs, and Settlement Administration Costs.

14. "PAGA Period" means the period of from August 25, 2024 through July 31, 2026.

15. "Parties" means Plaintiff and Defendant, together.

16. "Plaintiff" means Chawndra M. Spalione.

17. "PAGA Released Claims" shall mean: All claims for statutory penalties released by Plaintiff that were or could have been sought by the Labor Commissioner for the violations identified in Plaintiff's pre-filing letter to the LWDA dated June 10, 2025 and the operative Complaint.

18. "Released Parties" means Defendant and Defendant's parent corporations, subsidiaries, divisions, affiliates, partners, shareholders, members, landlords, licensees, lessors,

insurers, reinsurers, representatives, predecessors, successors, assigns, transferees, heirs, executors, administrators, agents, employees, officers, directors and attorneys.

19. "Settlement Administration Costs" means the fees and expenses reasonably incurred by the Settlement Administrator as a result of the procedures and processes expressly required for completion of the Settlement and by this Agreement, which are estimated at Three and Thousand and Five Hundred Dollars and Zero Cents ($3,500.00). Any portion of the Settlement Administration Costs not used or approved by the Court shall be added to the Net Settlement Fund.

20. "Settlement Administrator" means Phoenix Settlement Administrators.

C. PAYMENT OF CONSIDERATION

1. Settlement Consideration. Defendant shall pay the Gross Settlement Amount as specified in this Agreement, which shall be used to pay: (1) Attorneys' Fees and Costs; (2) Enhancement Payment; (3) 1542 Individual Release Payment; (4) Settlement Administration Costs; and (5) payment to the LWDA. The Parties agree that this is a non-reversionary Settlement and that no portion of the Gross Settlement Amount shall revert to Defendant. Payment shall be made to the Settlement Administrator for disbursement in accordance with this Agreement and the Order and Judgment approving the PAGA Settlement. Except as set forth in paragraph C.2 herein, under no circumstances shall Defendant be responsible under this Settlement for payment of more than the Gross Settlement Amount.

2. Pay Periods. The Gross Settlement Amount was calculated with, and is premised on, Aggrieved Employees working 2,900 compensable pay periods in California during the PAGA Period ("Affected Pay Periods").

3. Funding of the 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), no later than thirty (30) calendar days after the Effective Date and receipt by Defendant of wire or payment instructions and a completed Form W-9 from the Settlement Administrator, Defendant shall begin funding of the Gross Settlement Amount by transmitting the Gross Settlement Amount to the Settlement Administrator by wire or as

otherwise instructed by the Settlement Administrator. No later than thirty (30) calendar days after the date the Settlement Agreement is fully executed, and receipt by Defendant of wire or payment instructions and a completed Form W-9 from the Settlement Administrator, Defendant shall make the first installment payment in the amount of Three Thousand and One Hundred and Twenty-Five Dollars and Zero Cents ($3,125.00). Defendant shall make an additional twenty-three (23) installment payments due no later than the thirtieth (30th) day of each month in order to fund the Gross Settlement Amount. Each installment payment will be deposited into an interest bearing account until the Gross Settlement Amount is paid in full and the Settlement Agreement and the Effective Date has occurred. Any interest that is earned on the Gross Settlement Amount shall be allocated to the Net Settlement Fund. The Parties agree to cooperate with the Settlement Administrator and one another to the extent reasonably necessary to carry out the provisions of this Section.

4. Allocation of the Net Settlement Fund. The Net Settlement Fund shall be used to satisfy Individual Settlement Payments to Aggrieved Employees and payment to the LWDA in accordance with the terms of this Agreement. The Net Settlement Fund is the maximum amount that will be available for distribution to the LWDA and Aggrieved Employees in full satisfaction of all Released Claims. Pursuant to PAGA, sixty-five percent (65%) of the Net Settlement Fund will be paid to the LWDA, and the remaining thirty-five percent (35%), will be paid to all Aggrieved Employees ("Net PAGA Payment").

5. Calculation of Individual Settlement Payments. The Settlement Administrator shall calculate the Individual Settlement Payments by dividing the Net PAGA Payment by the total number of Affected Pay Periods. That value will then be multiplied by the number of pay periods worked by each respective Aggrieved Employee during the PAGA Period. Aggrieved Employees are entitled to 100% of the Net PAGA Payment.

6. Tax Treatment of Individual Settlement Payment. All Individual Settlement Payments shall be allocated 100% as penalties. The amount of payments shall be reported on an IRS Form 1099 (to the extent required by law) by the Settlement Administrator and shall not be subject to local, state or federal tax withholdings.

7. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced herein will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Covered Employee may be entitled under any benefit plans.

8. Enhancement Payment. Defendant agrees not to oppose or impede any application or motion by Plaintiff for an Enhancement Payment of up to Six Thousand Dollars and Zero Cents ($6,000) to the named Plaintiff. The Enhancement Payment shall be paid from the Gross Settlement Amount, and shall be paid in addition to Plaintiff's Individual Settlement Payment as an Aggrieved Employee. It is understood by Plaintiff that the Court has final discretion in any Enhancement Payment. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff reflecting the Enhancement Payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on her Enhancement Payment and shall hold harmless Defendant from any claim or liability for taxes, penalties, or interest arising as a result of the Enhancement Payment. Any portion of the Enhancement Payment not awarded to Plaintiff shall be added to the Net Settlement Fund and shall be distributed to Aggrieved Employees as provided in this Agreement.

9. Attorneys' Fees and Costs. In full satisfaction of all claims Plaintiff may have for attorneys' fees, litigation costs, and expenses arising out of the Action, Defendant agrees that Plaintiff's Counsel may apply to the Court for an amount of reasonable attorneys' fees not to exceed Twenty-Four Thousand, Nine Hundred and Seventy-Five Dollars and Zero Cents ($24,975.00) and will request actual costs, up to a maximum of Nineteen Thousand Dollars and Zero Cents ($19,000) ("Attorneys' Fees and Costs"), pursuant to PAGA, which provides for the recovery of attorneys' fees and costs, which shall be paid from the Gross Settlement Amount. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff's Counsel reflecting the awarded attorneys' fees, costs, and expenses. The Parties understand that the Court makes the

final determination on the award of Attorneys' Fees and Costs, and that any portion of these amounts not awarded as Attorneys' Fees and Costs shall be added to the Net Settlement Fund and distributed to Aggrieved Employees and LWDA as provided in this Agreement.

10. Settlement Administration Costs. The Settlement Administrator shall be paid for the reasonable costs of administration of the Settlement from the Gross Settlement Amount, currently estimated at $3,500. These costs, which shall be paid from the Gross Settlement Amount, shall include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuance of Form 1099 IRS forms, and providing necessary reports and declarations. Any portion of the Settlement Administration Costs not allowed shall be added to the Net Settlement Fund and shall be distributed to Aggrieved Employees and the LWDA as provided in this Agreement.

D. ADMINISTRATION OF SETTLEMENT

1. Approval of PAGA Settlement. Plaintiff's Counsel shall request the entry of an order and judgment granting approval of the Settlement pursuant to the terms of this Stipulation for Settlement and Release, which shall include findings and orders: (i) approving the Settlement, (ii) adjudging the terms to be fair, reasonable, and adequate and binding on the State of California, (iii) reciting the release terms, (iv) directing that the Settlement's terms and provisions be carried out; (v) entering final judgment in accordance with this Agreement and without further fees or costs to any party except as expressly set forth in this Agreement; and (vi) retaining jurisdiction to oversee administration and enforcement of the terms of this Agreement and the Court's orders. Plaintiff's motion shall be unopposed by Defendant, unless Plaintiff's approval motion seeks relief inconsistent with or not specified by this Agreement. In such event, Defendant reserve the right to address any assertions that are not consistent with this Agreement.

2. Settlement Administration. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement. The Settlement Administrator shall provide the following services:

a. Calculate the Individual Settlement Payment to be paid to each Covered

Employee in accordance with the terms and provisions of this Agreement;

b. Print and issue Individual Settlement Payment checks;

c. Verify the last known address for each Covered Employee through a generally utilized, national address update database prior to mailing the Individual Settlement Payment check;

d. Disburse any awards of costs and attorneys' fees;

e. Prepare and issue 1099 Forms; and

f. Perform such other tasks necessary to effectuate the terms of this Agreement or as the Parties mutually agree or the Court orders the Parties to perform.

3. Delivery of the Covered Employee List and Data. Within ten (10) calendar days after the Effective Date, Defendant shall to provide the Settlement Administrator with a Microsoft Office Excel spreadsheet that includes each Aggrieved Employees full name; employee number; most recent mailing address; social security number; and number of Compensable Pay Periods worked by the employee during the PAGA Period. All information provided by Defendant to the Settlement Administrator shall remain confidential and will not be disclosed to any person except as reasonably necessary for the Settlement Administrator to carry out its duties, or pursuant to Defendant's express written authorization or by order of the Court in the Action.

4. Timing of Distribution. Within fourteen (14) calendar days after the payment of the entire Gross Settlement Amount, the Settlement Administrator shall initiate payments to: (a) Aggrieved Employees; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and (d) Plaintiff's Counsel. The Settlement Administrator will issue the appropriate tax forms for all payments issued under this Settlement.

5. Mailing of Individual Settlement Payments to Aggrieved Employees:

a. When making payments to the Aggrieved Employees as provided for in this Agreement, the Settlement Administrator will mail to each Aggrieved Employee, via first-class United States Mail, the following: (a) the PAGA Settlement Notice in English and Spanish,

attached as **Exhibit B**; and (b) their Individual PAGA Payment (collectively, the "PAGA Packet").

b. Prior to mailing, the Settlement Administrator will update all addresses using the National Change of Address System (NCOA). In the event that a PAGA Packet is returned to the Settlement Administrator with a forwarding address, the Settlement Administrator will re-send the PAGA Packet to the forwarding address identified. If no forwarding address is provided, then the Settlement Administrator will promptly conduct a "standard search," sometimes called, "Skip Trace" or "Credit Header" searches, to locate a better address. If a better address is found, the Settlement Administrator will promptly re-send the PAGA Packet. If a better address is not found or the PAGA Packet is ultimately returned without a forwarding address, neither the Settlement Administrator, Defendant, Defense Counsel, Plaintiff's Counsel or named Plaintiff shall be required to take further action.

c. Aggrieved Employees shall have 180 calendar days after the date the PAGA Packet is mailed to them to cash their settlement payment checks. If any Covered Employee's check is not cashed within that period, the settlement payment check will be voided and a stop-payment will be issued. Neither Defendant, Defendant's counsel, Plaintiff, nor Plaintiff's Counsel will have any liability for lost or stolen settlement payment checks, forged signatures on settlement payment checks, unauthorized negotiation of settlement payment checks or failure to timely cash a settlement payment check within the 180-day period.

d. Any unpaid cash residue or unclaimed Covered Employee funds, plus any accrued interest that has not otherwise been distributed pursuant to order of the Court, shall be delivered to the State of California Controller's Office in the name of the aggrieved employee.

6. Additional PAGA Pay Periods. It is currently estimated that Aggrieved Employees will have worked 2,900 Pay Periods through July 31, 2026. Plaintiff will provide Defendant with ten (10) days' notice of her intent to file a Motion for Approval of the PAGA Settlement or Stipulation and Order Requesting Approval of the PAGA Settlement. In the event the actual total number of pay periods exceeds 3,190 (10% increase), the Gross Settlement Amount may be increased on a pro rata basis according to the number of additional PAGA Pay

Periods worked by all Aggrieved Employees in excess of 3,190 (10%).

7. Notice to LWDA.

a. Plaintiff's Counsel shall be responsible for submitting the final executed Agreement and moving papers in support of Court approval to the LWDA upon filing with the Court pursuant to Labor Code section 2699, but in no event less than three (3) days after this Stipulation for Settlement and Release, and the application or motion thereon is filed. (Plaintiff represents that she has submitted a file-stamped copy of the Complaint to the LWDA pursuant to Labor Code section 2699(*l*)(1).

b. Plaintiff shall further be responsible for submitting a copy of any order or judgment providing for or denying an award of civil penalties under PAGA, including any order and judgment approving this Settlement, to the LWDA within ten (10) days after entry of the judgment or order pursuant to Labor Code section 2699.

E. RELEASE OF CLAIMS

1. Release of Claims by Plaintiff on behalf of the State of California. Upon the payment of the Gross Settlement Amount by Defendant, Plaintiff on behalf of the State of California, shall be deemed to have fully and finally released and discharged the Released Parties from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action contingent or accrued for, during the time period from August 25, 2024 through July 31, 2026, arising out of the PAGA claim asserted in the operative complaint and the LWDA letter based upon the following: 1) failure to provide meal periods; 2) failure to provide rest periods, 3) failure to pay overtime wages, 4) failure to pay minimum wages, 5) failure to timely pay wages during employment; 6) failure to pay all wages due to discharged and quitting employees, 7) failure to furnish accurate itemized wage statements, 8) failure to maintain required records, 9) failure to pay all gratuities, (10) failure to reimburse for necessary expenditures incurred in the discharge of duties, 11) failure to provide suitable seating, 12) failure to implement a workplace violence prevention policy, 13) failure to implement an indoor temperature wellness policy, as well as all facts, theories, or claims for civil penalties that would be considered administratively exhausted under applicable law by the

LWDA Letter Plaintiff sent to the LWDA and subsequent complaint. This release shall include, but is not limited to, a release for PAGA claims under California Labor Code Sections 200, 201, 202, 203, 203.1, 204, 210, 218.5, 225.5, 226, 226.3, 226.7, 245, 246, 247,5, 248.5, 351, 510, 512, 1174, 1194, 1197, 1198, 1199, 2699, 2802, 6401.7, 6401.9, 6428, 6429, 6721, and Industrial Welfare Wage Order, 5-2001, Sections §§3, 4, 7, 9, 11, 12, 14 ("suitable seating"), and any other Wage Orders that are or may be applicable.

2. No Right to Opt-Out. The Parties agree there is no statutory right for any Covered Employee to opt out or otherwise exclude himself or herself from the Settlement.

3. General Release and Waiver of Claims by Plaintiff. Plaintiff (on behalf of herself and her spouse, heirs, executors, administrators, trustees, and/or permitted assigns) also agrees to a general release of any and all claims against the Released Parties—which shall include without limitation any and all claims which in any way relate to her employment with Defendant or cessation thereof, under State or Federal law, in tort, common law, statute, contract, or equity, whether pled in the Complaint or not, including but not limited to any claims under the FLSA, Title VII, ADA, FEHA, ADEA, PAGA, California Labor Code, or any Industrial Welfare Commission Wage Order—now existing or arising in the future, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution hereof.

4. Waiver of Civil Code section 1542 In Support of Individual Payment. Plaintiff (including expressly the Aggrieved Employees with respect to the Released Claims only) expressly waives and relinquishes, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, 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**." Notwithstanding the provisions of section 1542, and for the purpose of implementing a full and complete release and discharge of all of the claims released herein, Plaintiff (including the Aggrieved Employees with respect to the Released Claims only) expressly acknowledges that this Settlement is intended to include in its effect, without limitation, all claims released herein

which Plaintiff does not know or suspects to exist in her favor at the time of execution hereof, and that the Settlement contemplates the extinguishment of all such claims. Neither Plaintiff nor the Aggrieved Employees are releasing their respective claims or vested rights to any Employee Stock Option Plan ("ESOP") or similar plan as a result of employment with Defendant.

5. No Additional Attorneys' Fees or Costs. The Parties agree to bear their own attorneys' fees and costs related to this Action except as specifically provided in this Agreement.

F. MISCELLANEOUS

1. Tax Liability. Defendant, Defense Counsel, the Settlement Administrator, and Plaintiff's Counsel make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Aggrieved Employees are not relying on any statement, representation, or calculation by Defendant, Defense Counsel, Plaintiff's Counsel, or by the Settlement Administrator in this regard. Plaintiff and Aggrieved Employees understand and agree that they will be solely responsible for the payment of any and all taxes and penalties assessed on their respective payments described herein and will defend, indemnify, and hold Defendant, Defense Counsel, Plaintiff's Counsel and the Settlement Administrator free and harmless from and against any claims resulting from treatment of such payments as non-taxable penalties/damages.

2. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS OR ITS OWN, INDEPENDENT LEGAL AND

TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

3. Confidentiality. Plaintiff represents and agrees that she has not and will not disclose or publish the existence of this Agreement through the news media, social media, websites, litigation reporting service or through any other means, except as reasonably necessary to obtain Court approval and administer the terms of the Settlement, or to enforce this Agreement. Plaintiff's counsel can use the existence of this matter and the Settlement for adequacy of counsel declarations in future actions.

4. 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.

5. Nullification of Settlement Agreement. In the event that the Court does not approve the Settlement as provided herein, the Parties agree to meet and confer to address any concerns the Court raises and determine whether resolution of the claims encompassed by the Settlement can be obtained in a manner consistent with the Court's concerns. The Parties agree to return to mediator E. Will Klatte, Esq. to assist in that process. If the Court does not grant

approval of the Settlement, and the Parties are not able to address any concerns the Court raises after meeting and conferring, then the Settlement will be null and void and the Parties will be returned to their original respective positions. However, a modification of amounts awarded to named Plaintiff as an Enhancement Payment or to Plaintiff's counsel as attorney's fees and litigation costs and expenses shall not be deemed a material modification of the Settlement.

6. Continued Jurisdiction. After entry of the judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Court Approval matters as may be appropriate under court rules or as set forth in this Settlement.

7. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

8. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties.

9. Cooperation. The Parties agree to cooperate jointly and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the Court to resolve such disagreement.

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.

11. California Law Governs. All terms of this Settlement Agreement 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 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 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.

14. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable. If any immaterial provision of this Agreement is or becomes invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions contained herein shall not be affected. Notwithstanding the foregoing, the releases contained herein shall not be deemed severed or deleted from this Agreement except upon waiver in writing by Defendant.

15. Captions. The captions and section 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. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions.

18. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms

and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

19. Representation by Counsel. The Parties acknowledge that they have been represented by counsel of their choosing 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.

20. 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.

21. Denial of Liability. The Parties expressly recognize that the making of this Agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith, including, without limitation, by Defendant should any party seek relief against any of the Released Parties on any claims released herein.

IN WITNESS WHEREOF, the undersigned Parties and their duly authorized

representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

DATE: 10/1/2026

By: Signed by: Chawndra M. Spalione 146ED5A82A704E2...
Chawndra M. Spalione

DATE: 9/10/2026

1906 INC.

By: DocuSigned by: 4DEB0A0F9E214E8...
Title president

APPROVED AS TO FORM ONLY:

DATE: _____

THE WHEELER LAW FIRM, APC

Scott Ernest Wheeler
Justin A. Wheeler

Attorneys for Plaintiff and the other Aggrieved Employees

DATE:

OSTERGAR LATTIN JULADNER LLP

John E. Lattin

Attorneys for Defendant, 1906 INC.

Docusign Envelope ID: 98FB32E4-7CC4-844E-81E7-26E750E0B41A

representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

DATE: By: _____
Chawndra M. Spalione

DATE: 1906 INC.

By: _____
Title

APPROVED AS TO FORM ONLY:

DATE: 10/1/26 THE WHEELER LAW FIRM, APC

_____
Scott Ernest Wheeler
Justin A. Wheeler

Attorneys for Plaintiff and the other Aggrieved Employees

DATE: 9/10/2026 OSTERGAR LATTIN JULADNER LLP

_____
John E. Lattin

Attorneys for Defendant, 1906 INC.