

## **PAGA SETTLEMENT AGREEMENT**

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Carlos Lemus Rivera (“Plaintiff”) and defendant Building Services/System Maintenance, Incorporated, a California corporation (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as the “Parties,” or individually as a “Party.”

### **1. DEFINITIONS.**

- 1.1. “Action” means Plaintiff’s civil lawsuit alleging wage and hour violations against Defendant captioned *Carlos Lemus Rivera v. Building Services Maintenance, Inc., et al.*, Case No. 23CV411692 pending in Santa Clara County Superior Court.
- 1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Aggrieved Employee” means a person employed by Defendant in California as a non-exempt employee during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession, including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.8. “Court” means the Superior Court of California, County of Santa Clara.
- 1.9. “Defendant” means named Defendant Building Services/System Maintenance, Incorporated, a California corporation.
- 1.10. “Defense Counsel” means Joshua B. Wagner and John D. Sager of Gordon Rees Scully Mansukhani, LLP.

- 1.11. “Effective Date” means the date the Court enters Judgment on its Order Approving the PAGA Settlement.
- 1.12. “General Release Payment” means the amount to be paid to Plaintiff for a general release of all claims arising out of his employment with Defendant. Plaintiff will request Court approval of a General Release Payment of up to Five Thousand Dollars (\$5,000), which will be paid separately from the Gross Settlement Amount.
- 1.13. “Gross Settlement Amount” means Six Hundred Fifty-Five Thousand Dollars (\$655,000), which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, PAGA Representative Enhancement Payment, and the Administrator’s Expenses Payment. The General Release Payment will be paid separately from the Gross Settlement Amount.
- 1.14. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.15. “Judgment” means the judgment entered by the Court based upon its Approval of this Settlement.
- 1.16. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.17. “LWDA PAGA Payment” means the Seventy-Five Percent (75%) of the PAGA Penalties to be paid to the LWDA under Labor Code section 2699, subd. (i).<sup>1</sup>
- 1.18. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Representative Enhancement Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder will constitute the PAGA Penalties, as defined in Section 1.25 below.
- 1.19. “PAGA Counsel” means Monica Balderrama and Mark Yablonovich of the Law Offices of Mark Yablonovich, and Bevin Allen Pike and Raul Perez of Capstone Law APC.

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<sup>1</sup> All references to Labor Code sections 2699, *et seq.* are to the PAGA statute in effect at the time the Action was filed on February 14, 2023.

- 1.20. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reasonable attorneys’ fees and reimbursement of expenses, respectively, incurred to prosecute the Action.
- 1.21. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.22. “PAGA Period” means December 9, 2021 to September 23, 2025, or the date in which the number of Pay Periods reaches 22,000, whichever is earlier.
- 1.23. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).
- 1.24. “PAGA Notice” means Plaintiff’s December 9, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.25. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated Twenty-Five Percent (25%) to the Aggrieved Employees (currently estimated at \$103,916.67) and Seventy-Five Percent (75%) to LWDA (currently estimated at \$311,750) in settlement of PAGA claims.
- 1.26. “Plaintiff” means Carlos Lemus Rivera, the named plaintiff in the Action.
- 1.27. “Released PAGA Claims” means the claims being released by the Plaintiff and the Aggrieved Employees as described in Paragraph 5 below.
- 1.28. “Released Parties” means Defendant and each of its parent companies, predecessors, successors, assigns, subsidiaries, and affiliates and their respective former and present directors, officers, shareholders, owners, members, attorneys, insurers, agents, accountants, insurers, reinsurers, and management-level employees.
- 1.29. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

## **2. RECITALS.**

- 2.1. On February 14, 2023, Plaintiff commenced this Action by filing a civil complaint against Defendant alleging a claim for PAGA civil penalties for violations of the Labor Code, including but not limited to for failure to pay all hours worked, failure to pay minimum wage, failure to pay

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wages due upon discharge, meal period and rest break violations, failure to reimburse business expenses, and failure to provide accurate itemized wage statements. The February 14, 2023, civil filing is the operative complaint in the Action (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and/or PAGA Notice, and denies any and all liability for the claims alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On September 23, 2025, the Parties participated in an all-day mediation presided over by Phillip Cha, Esq. which led to this Agreement to settle the Action. Prior to mediation, Plaintiff obtained, through informal discovery, Defendant’s payroll and time records for a sampling of Aggrieved Employees.
- 2.4. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

### 3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant agrees to pay Six Hundred Fifty-Five Thousand Dollars (\$655,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in its Approval Order:
  - 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount or Two Hundred Eighteen Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$218,333.33) and PAGA Counsel Litigation Expenses Payment of not more than Ten Thousand Five Hundred Dollars (\$10,500). Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA

Counsel will file an application or motion for approval of PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion of the PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.2. To Plaintiff as PAGA Representative Enhancement Award: Plaintiff shall request not more than Five Thousand Dollars (\$5,000) for his service as a PAGA representative, which Defendant shall not oppose.
- 3.2.3. To the Administrator: An Administrator Expenses Payment estimated at Five Thousand Five Hundred Dollars (\$5,500). To the extent the Administration Expenses are less, or the Court approves payment less than \$5,500, the difference will be added to the Net Settlement Amount.
- 3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of approximately \$415,666.67 to be paid from the Gross Settlement Amount, with 75% (\$311,750) allocated to the LWDA PAGA Payment and 25% (\$103,916.67) allocated to the Individual PAGA Payments.
  - 3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$103,916.67) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period number of Pay Periods.
  - 3.2.4.2 Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

- 3.3. General Release Payment. In exchange for the general release set forth in Paragraph 5 and separately reflected and agreed to in the Settlement Agreement and Full and Final Release Agreement, Defendant will pay Plaintiff the sum of Five Thousand Dollars (\$5,000). The General Release Payment will be paid separately from the Gross Settlement Amount and will be in addition to Plaintiff's PAGA Representative Enhancement Award. Plaintiff will be solely and legally responsible to pay any and all applicable taxes on the General Release Payment.

#### 4. **SETTLEMENT FUNDING AND PAYMENTS.**

- 4.1. Aggrieved Employee Pay Periods. Based on a review of its records, Defendant estimates there are Four Hundred Seventy-Seven (477) Aggrieved Employees who worked a total of Twenty-One Thousand Seven Hundred Eighty-Four (21,784) PAGA Pay Periods from December 9, 2021 through September 10, 2025.
- 4.2. Aggrieved Employee Data. Within ten (10) days of court approval of this Settlement, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.
- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and General Release Payment by transmitting the funds to the Administrator no later than forty-five (45) days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, PAGA Counsel Expenses Payment, and the Plaintiff Representative Enhancement Payment. Disbursement of the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses

Payment shall not precede disbursement of Individual PAGA Payments.

- 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed after the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database. A notice letter explaining why the check is being sent, in a mutually-agreed upon form that has been approved by the Court, in substantially the form that is attached hereto as "Exhibit 1," will be included in the mailing of each Aggrieved Employee's Individual PAGA Payment check. The notice letter will be sent in English and Spanish.
- 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within ten (10) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.
- 4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.
- 4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

**5. RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, the State of California, and Aggrieved Employees will release claims against all Released Parties as follows:

- 5.1. Plaintiff's Release. In coordination with the parallel Settlement

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Agreement pertaining to Plaintiff's comprehensive general release of his individual claims, Plaintiff and his respective former and present spouses, representatives, agents, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to, all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

- 5.2. Release by State of California and Aggrieved Employees: The State of California and all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the same facts stated in the Operative Complaint and/or the PAGA Notice during the PAGA Period ("Released Claims").

**6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree to cooperate in the preparation and filing by Plaintiff's counsel of an application or motion for approval of this Settlement.

- 6.1. Plaintiff's Responsibilities. No later than seven (7) days prior to the filing deadline, Plaintiff will prepare and deliver to Defense Counsel a draft of the Motion for Court Approval of the PAGA Settlement and a draft proposed Order Granting Motion for Court Approval of PAGA Settlement. Defense Counsel shall provide Plaintiff suggested edits, if any, within three (3) days of receipt.
- 6.2. Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the Motion for Court Approval of PAGA Settlement no later than sixteen (16) court days prior to the hearing. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.
- 6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Court Approval of PAGA Settlement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to

resolve the disagreement. If the Court does not grant the Motion for Court Approval of PAGA Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

## 7. SETTLEMENT ADMINISTRATION.

- 7.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators ("Phoenix"), to serve as the Administrator and verified that, as a condition of appointment, Phoenix, agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. **AGGRIEVED EMPLOYEE SIZE ESTIMATES:** Based on its records, Defendant estimates that, as of September 10, 2025, there were Four Hundred Seventy-Seven (477) Aggrieved Employees who worked Twenty-One Thousand Seven Hundred Eighty-Four (21,784) Pay Periods from December 9, 2021 to September 10, 2025. The settlement as negotiated contemplates a PAGA Pay Period count up to Twenty-Two Thousand (22,000). Thus, the Parties have agreed that the PAGA Period expires as of September 23, 2025, or when the PAGA Pay Period count hits Twenty-Two Thousand (22,000) PAGA Pay Periods, whichever date is earlier.

9. **CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes of (i) enforcing this Agreement

and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

- 9.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

## 10. ADDITIONAL PROVISIONS.

- 10.1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason, the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 10.2. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits and the separate Settlement Agreement and Full and Final Release, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, 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 reasonably

required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 10.4. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

- 10.12. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant.
- 10.13. 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.
- 10.14. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.15. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Raul Perez  
Capstone Law APC  
1875 Century Park East, Suite 1860  
Los Angeles, CA 90067-2533  
Raul.perez@capstonelawyers.com

To Defendant:

Joshua B. Wagner  
GORDON REE SCULLY MANSUKHANI, LLP  
633 W. Fifth Street, 52<sup>nd</sup> Floor  
Los Angeles, CA 90071  
jwagner@grsm.com

- 10.16. Execution in Counterparts. This Agreement may be executed in counterparts, each of which may be comprised of original signatures, or

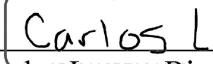
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copies or facsimiles thereof, but all of which shall be taken together constitute the same Agreement, and in pleading or proving any provision of the Agreement, it shall not be necessary to produce more than one such counterpart. The Parties agree DocuSign, or other electronic signature technology, may be used to expedite the execution of this Agreement pursuant to California Civil Code Section 1633.7. Electronic signatures shall be deemed original.

- 10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process. The Parties agree that the five-year statute is tolled during the settlement approval process.

DATED: 1/23/2026

**PLAINTIFF CARLOS LEMUS RIVERA**

Firmado por:  
  
 Carlos Lemus Rivera

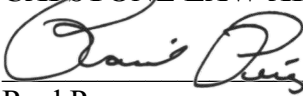
**DEFENDANT BUILDING  
 SERVICES/SYSTEM  
 MAINTENANCE, INCORPORATED, a  
 California corporation**

DATED: \_\_\_\_\_

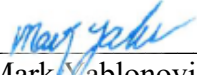
By: Sam Martinovich  
 Its: Chief Executive Officer

**APPROVED AS TO FORM:**

DATED: 1/28/2026

**CAPSTONE LAW APC**  
 By:   
 Raul Perez  
 Attorney for Plaintiff

DATED: 1/28/2026

**LAW OFFICES OF MARK YABLONOVICH**  
 By:   
 Mark Yablonoich  
 Monica Balderrama

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copies or facsimiles thereof, but all of which shall be taken together constitute the same Agreement, and in pleading or proving any provision of the Agreement, it shall not be necessary to produce more than one such counterpart. The Parties agree DocuSign, or other electronic signature technology, may be used to expedite the execution of this Agreement pursuant to California Civil Code Section 1633.7. Electronic signatures shall be deemed original.

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**PLAINTIFF CARLOS LEMUS RIVERA**

DATED: \_\_\_\_\_

\_\_\_\_\_  
Carlos Lemus Rivera

**DEFENDANT BUILDING  
SERVICES/SYSTEM  
MAINTENANCE, INCORPORATED, a  
California corporation**

DATED: March 2, 2026

DocuSigned by:  
  
\_\_\_\_\_  
By: Sam Martinovich  
Its: Chief Executive Officer

**APPROVED AS TO FORM:**

DATED: \_\_\_\_\_

**CAPSTONE LAW APC**

By: \_\_\_\_\_  
Raul Perez  
Attorney for Plaintiff

DATED: \_\_\_\_\_

**LAW OFFICES OF MARK YABLONOVICH**

By: \_\_\_\_\_  
Mark Yablonovich  
Monica Balderrama

*Rivera / BSM Settlement Agreement*

Attorney for Plaintiff

DATED: 03-02-2026

**GORDON REES SCULLY MANSUKHANI,  
LLP**

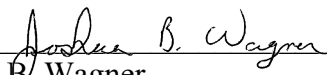
By:   
Joshua B. Wagner  
Attorneys for Defendant

Exhibit 1

Exhibit 1

<<Mailing Date>>

To: <<First Name>><<Last Name>>  
<<Address>>  
<<City>> <<State>> <<Zip>>

Re: Individual PAGA Payment from *Carlos Lemus Rivera v. BSM*  
County of Santa Clara Case No. 23CV411692

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> (“Individual PAGA Payment”). This check is your payment from the settlement of a lawsuit entitled *Carlos Lemus Rivera v. Building Services Maintenance, Inc. et al.*, Case No. 23CV411692 (“Action”), pending in the Superior Court of California for the County of Santa Clara (the “Court”).

The lawsuit was filed by Carlos Lemus Rivera (“Plaintiff”), a former employee of Building Services/System Maintenance, Incorporated, a California corporation (“Defendant”), on behalf of the State of California with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). Plaintiff alleged that Defendant violated the California Labor Code and Industrial Welfare Commission Wage Orders by failing to properly pay all minimum wages, provide lawful meal periods, authorize or permit lawful rest periods, provide accurate itemized wage statements, reimburse necessary business expenses, and timely pay all wages upon separation of employment. Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following Aggrieved Employees: persons employed by Defendant in California as a non-exempt employee who worked for Defendant at any time from December 9, 2021 to \_\_\_\_, 2025.

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the Aggrieved Employees. You are receiving a portion of the settlement (the enclosed Individual PAGA Payment) because you have been identified as an Aggrieved Employee. Your Individual PAGA Payment is based on the total number of pay periods that you worked as an Aggrieved Employee during the period between December 9, 2021 to \_\_\_\_, 2025 (the “PAGA Period”). The Individual Settlement Check is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the Released Claims. The “Released Parties” means Defendant and each of its parent companies, predecessors, successors, assigns, subsidiaries, and affiliates and their respective former and present directors, officers, shareholders, owners, members, attorneys, insurers, agents, accountants, insurers,

*Rivera / BSM Settlement Agreement*

Exhibit 1

reinsurers, and management-level employees. The “Released Claims” means and refers to all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the same facts stated in the Operative Complaint and/or the PAGA Notice, including for failure to properly pay minimum wages, provide lawful meal periods, authorize or permit lawful rest periods, reimburse necessary business expenses, provide accurate itemized wage statements, and/or pay waiting time penalties during the PAGA Period. This settlement does not affect any individual claims you may have against Defendant.

Your check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual PAGA Payment will be cancelled and the funds will be transmitted to the State Controller’s Office Unclaimed Property Fund in the name of the Aggrieved Employee whose check is voided. After the expiration of your check and the completion of the escheatment process, you can search the Controller’s website to claim your money by visiting [https://www.sco.ca.gov/search\\_upd.html](https://www.sco.ca.gov/search_upd.html).

**Do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement.** If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.